ANNUAL BUDGET OF

NGWATHE LOCAL MUNICIPALITY

2015/16 TO 2017/18
MEDIUM TERM REVENUE AND EXPENDITURE FORECASTS

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Abbreviations and Acronyms

AMR	Automated Meter Reading
ASGISA	Accelerated and Shared Growth Initiative
BPC	Budget Planning Committee
CBD	Central Business District
CFO	Chief Financial Officer
CM	City Manager
CPI	Consumer Price Index
CRRF	Capital Replacement Reserve Fund
DBSA	Development Bank of South Africa
DoRA	Division of Revenue Act
DWA	Department of Water Affairs
EE	Employment Equity
EEDSM	Energy Efficiency Demand Side Management
EM	Executive Mayor
FBS	Free basic services
GAMAP	Generally Accepted Municipal Accounting Practice
GDP	Gross domestic product
GDS	Gauteng Growth and Development Strategy
GFS	Government Financial Statistics
GRAP	General Recognised Accounting Practice
HR	Human Resources
HSRC	Human Science Research Council
IDP	Integrated Development Strategy
IT	Information Technology
kℓ	kilolitre
km	kilometre
KPA	Key Performance Area
KPI	Key Performance Indicator
kWh	kilowatt
ℓ	Litre
LED	Local Economic Development
MEC	Member of the Executive Committee
MFMA	Municipal Financial Management Act Programme
MIG	Municipal Infrastructure Grant
MMC	Member of Mayoral Committee
MPRA	Municipal Properties Rates Act
MSA	Municipal Systems Act
MTEF	Medium-term Expenditure Framework
MTREF	Medium-term Revenue and Expenditure Framework
NERSA	National Electricity Regulator South Africa
NGO	Non-Governmental organisations
NKPIs	National Key Performance Indicators
OHS	Occupational Health and Safety
OP	Operational Plan
PBO	Public Benefit Organisations
PHC	Provincial Health Care
PMS	Performance Management System
PPE	Property Plant and Equipment
PPP	Public Private Partnership
PTIS	Public Transport Infrastructure System
RG	Restructuring Grant
RSC	Regional Services Council
SALGA	South African Local Government Association
SAPS	South African Police Service
SDBIP	Service Delivery Budget Implementation Plan
SMME	Small Micro and Medium Enterprises

Part 1 – Annual Budget

1.1 Mayor's Report

To be inserted

1.2 Council Resolutions

To be inserted

1.3 Executive Summary

The application of sound financial management principles for the compilation of the Municipality's financial plan is essential and critical to ensure that the municipality remains financially viable and that municipal services are provided sustainably, economically and equitably to all communities.

The Municipality's business and service delivery priorities were reviewed as part of this year's planning and budget process. Where appropriate, funds were transferred from low- to high-priority programme's so as to maintain sound financial stewardship. A critical review was also undertaken of expenditures on noncore items.

The Municipality has embarked on implementing a range of revenue collection strategies to optimize the collection of debt owed by consumers. Furthermore, the Municipality has undertaken various customer care initiatives.

National Treasury's MFMA Circular No. 74, previous circulars, the NDP and the FSGDS were used to guide the compilation of the 2015/16 MTREF.

The main challenges experienced during the compilation of the 2015/16 MTREF can be summarized as follows:

- The ongoing difficulties in the national and local economy;
- Aging and poorly maintained water, roads and electricity infrastructure;
- The need to reprioritize projects and expenditure within the existing resource envelope given the cash flow realities and declining cash position of the municipality;
- The increased cost of bulk water and electricity (due to tariff increases from Rand Water and Eskom), which is placing upward pressure on service tariffs to residents. Continuous high tariff increases are not sustainable;
- Wage increases for municipal staff that continue to exceed consumer inflation, as well as the need to fill critical vacancies; and
- Affordability of capital projects – Endless list of legitimate capital project to address backlogs against limited resources to fund the capital projects;

The following budget principles and guidelines directly informed the compilation of the 2015/16 MTREF:

- The 2014/15 Adjustments Budget priorities and targets, as well as the base line allocations contained in that Adjustments Budget were adopted as the upper limits for the new baselines for the 2015/16 annual budget;
- Intermediate service level standards were used to inform the measurable objectives, targets and backlog eradication goals;
- Tariff and property rate increases should be affordable and should generally not exceed inflation as measured by the CPI, except where there are price increases in the inputs of services that are beyond the control of the municipality, for instance the cost of bulk water and electricity. In addition, tariffs need to remain or move towards being cost reflective, and should take into account the need to address infrastructure backlogs;
- There will be no budget allocated to national and provincial funded projects unless the necessary grants to the municipality are reflected in the national and provincial budget and have been gazetted as required by the annual Division of Revenue Act;

In view of the aforementioned, the following table is a consolidated overview of the proposed 2015/16 Medium-term Revenue and Expenditure Framework:

Table 1 Consolidated Overview of the 2015/16 MTREF

	Adjustments Budget		Budget Year		Budget Year +1		Budget Year +2	
R thousands	2014/15		2015/16		2016/17		2017/18	
Total Operating Revenue	R	484 546	R	512 098	R	528 125	R	547 969
Total Operating Expenditure	R	587 461	R	656 732	R	692 852	R	729 573
Surplus/ (Deficit) for the year	R	-102 915	R	-144 634	R	-164 727	R	-181 604
Total Capital Expenditure	R	67 672	R	75 647	R	42 175	R	44 480

Total operating revenue has grown substantially by 5.7 per cent or R27.6 million for the 2015/16 financial year when compared to the 2014/15 Adjustments Budget. For the two outer years, operational revenue will increase by 3.1 and 3.8 per cent respectively.

Total operating expenditure for the 2015/16 financial year has been appropriated at R656.7 million and translates into a budgeted deficit of R144.6 million (excluding non-cash items, the municipality is budgeting for a deficit of R7.3 million). When compared to the 2014/15 Adjustments Budget, operational expenditure has increased by 11.8 per cent in the 2015/16 budget; this is largely due to the municipality budgeting for all posts as per the proposed organogram.

The capital budget of R75.6 million for 2015/16 is 11.8 per cent more when compared to the 2014/15 Adjustment Budget. It must be highlighted that the internally funded capital projects can only be undertaken as and when funds become available.

A substantial portion of the capital budget will be funded from National grants over MTREF Internally generated funds will contribute 42.3 per cent of capital expenditure in the 2015/16 financial year.

1.4 Operating Revenue Framework

For Ngwathe Local Municipality to continue improving the quality of services provided to its citizens it needs to generate the required revenue. In these tough economic times strong revenue management is fundamental to the financial sustainability of the municipality. The reality is that we are faced with development backlogs and poverty. The expenditure required to address these challenges will inevitably always exceed available funding; hence difficult choices have to be made in relation to tariff increases and balancing expenditures against realistically anticipated revenues.

The municipality's revenue strategy is built around the following key components:

- National Treasury's guidelines and macroeconomic policy;
- Growth in the Municipal area and continued economic development;
- Sustainable revenue management, which aims to ensure a 80 per cent annual collection rate for property rates and other key service charges;
- Electricity tariff increases as approved by the National Electricity Regulator of South Africa (NERSA);
- Achievement of full cost recovery of specific user charges especially in relation to trading services;
- Determining the tariff escalation rate by establishing/calculating the revenue requirement of each service;
- The municipality's Property Rates Policy approved in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA);
- The municipality's Indigent Policy and rendering of free basic services; and
- Tariff policies of the Municipality.

The following table is a summary of the 2014/15 MTREF (classified by main revenue source):

Table 1 Summary of revenue classified by main revenue source

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Revenue By Source											
Property rates	2	68 562	48 723	42 923	51 297	51 297	51 297	–	56 633	59 918	63 094
Property rates - penalties & collection charges									–	–	–
Service charges - electricity revenue	2	70 468	132 624	126 136	145 557	145 557	145 557	–	154 676	163 094	172 320
Service charges - water revenue	2	31 208	67 638	134 474	40 111	40 211	40 211	–	42 543	45 010	47 401
Service charges - sanitation revenue	2	28 433	30 205	25 998	37 057	37 057	37 057	–	41 343	43 741	46 276
Service charges - refuse revenue	2	24 757	25 692	29 084	35 148	35 148	35 148	–	37 186	39 343	41 624
Service charges - other		–			–	–	–		–	–	–
Rental of facilities and equipment		252	2 291		1 420	1 951	1 951		2 521	2 667	2 808
Interest earned - external investments		575	1 435		2 757	1 757	1 757		1 858	1 966	2 070
Interest earned - outstanding debtors		17 103	20 008		2 500	2 500	2 500		2 645	2 798	2 947
Dividends received		–	–		–	–	–		–	–	–
Fines		775	1 097		1 000	1 400	1 400		1 846	1 953	2 062
Licences and permits		–	–		1	1	1		1	1	1
Agency services		–	–		–	–	–		–	–	–
Transfers recognised - operational		163 319	156 259		163 765	163 765	163 765		162 761	159 080	158 359
Other revenue	2	2 137	1 728	180 408	3 074	3 905	3 905	–	8 085	8 554	9 008
Gains on disposal of PPE											
Total Revenue (excluding capital transfers and contributions)		**407 589**	**487 698**	**539 021**	**483 685**	**484 546**	**484 546**	**–**	**512 098**	**528 125**	**547 969**

Table 2 Percentage growth in revenue by main revenue source

Description	Ref	Current Year 2014/15		2015/16 Medium Term Revenue & Expenditure Framework					
R thousand	1	Adjusted Budget	%	Budget Year 2015/16	%	Budget Year +1 2016/17	%	Budget Year +2 2017/18	%
Revenue By Source									
Property rates	2	51 297	11%	56 633	11%	59 918	11%	63 094	12%
Property rates - penalties & collection charges				–		–		–	
Service charges - electricity revenue	2	145 557	30%	154 676	30%	163 094	31%	172 320	31%
Service charges - water revenue	2	40 211	8%	42 543	8%	45 010	9%	47 401	9%
Service charges - sanitation revenue	2	37 057	8%	41 343	8%	43 741	8%	46 276	8%
Service charges - refuse revenue	2	35 148	7%	37 186	7%	39 343	7%	41 624	8%
Service charges - other		–		–		–		–	
Rental of facilities and equipment		1 951	0%	2 521	0%	2 667	1%	2 808	1%
Interest earned - external investments		1 757	0%	1 858	0%	1 966	0%	2 070	0%
Interest earned - outstanding debtors		2 500	1%	2 645	1%	2 798	1%	2 947	1%
Dividends received		–		–		–		–	
Fines		1 400	0%	1 846	0%	1 953	0%	2 062	0%
Licences and permits		1	0%	1	0%	1	0%	1	0%
Agency services		–		–		–		–	
Transfers recognised - operational		163 765	34%	162 761	32%	159 080	30%	158 359	29%
Other revenue	2	3 905	1%	8 085	2%	8 554	2%	9 008	2%
Gains on disposal of PPE									
Total Revenue (excluding capital transfers and contributions)		**484 546**		**512 098**		**528 125**		**547 969**	

In line with the formats prescribed by the Municipal Budget and Reporting Regulations, capital transfers and contributions are excluded from the operating statement, as inclusion of these revenue sources would distort the calculation of the operating surplus/deficit.

Revenue generated from rates and services charges forms a significant percentage of the revenue basket for the Municipality. Rates and service charge revenues comprise more than half the total revenue mix. In the 2014/15 financial year, revenue from rates and services charges totalled R309.2 million or 63.9 per cent. This increases to R331.3 million, R349.9 million and R369.5million in the respective financial years of the MTREF. A notable trend is the increase in the total percentage revenue generated from rates and services charges which increases from 63.9 per cent in 2014/15 to 64.7 per cent in 2015/16. This growth can be mainly attributed to the increased share that the sale of electricity contributes to the total revenue mix, which in turn is due to rapid increases in the Eskom tariffs for bulk electricity. The above table excludes revenue foregone arising from discounts and rebates associated with the tariff policies of the Municipality.

'Other revenue' which consists of various items such as income received from permits and licenses, building plan fees, connection fees, transport fees and advertisement fees. Departments have been urged to review the tariffs of these items on an annual basis to ensure they are cost reflective and market related.

Operating grants and transfers totals R162.8 million in the 2015/16 financial year and steadily decreases to R158.4 million by 2017/18. Note that the year-on-year decrease for the 2015/16 financial year is 0.6 per cent. The following table gives a breakdown of the various operating grants and subsidies allocated to the municipality over the medium term:

Table 3 Operating Transfers and Grant Receipts

Description	Ref	Dec-11	2012/13	2013/14	Current Year 2014/15			2014/15 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
RECEIPTS:	1, 2									
Operating Transfers and Grants										
National Government:		141 013	157 276	159 631	163 765	163 765	163 765	162 761	159 080	158 359
Local Government Equitable Share		137 311	153 983	156 191	160 231	160 231	160 231	159 059	156 313	155 181
EPWP Incentive		1 462	993	1 000	1 000	1 000	1 000	1 097	–	–
Municipal Systems Improvement		790	800	890	934	934	934	930	957	1 033
Finance Management		1 450	1 500	1 550	1 600	1 600	1 600	1 675	1 810	2 145
Other transfers/grants [insert description]										
Total Operating Transfers and Grants	5	141 013	157 276	159 631	163 765	163 765	163 765	162 761	159 080	158 359

Tariff-setting is a pivotal and strategic part of the compilation of any budget. When rates, tariffs and other charges were revised, local economic conditions, input costs and the affordability of services were taken into account to ensure the financial sustainability of the Municipality.

The percentage increases of both Eskom and Rand Water bulk tariffs are far beyond the mentioned inflation target. Given that these tariff increases are determined by external agencies, the impact they have on the municipality's electricity and in these tariffs are largely outside the control of the Municipality. Discounting the impact of these price increases in lower consumer tariffs will erode the Municipality's future financial position and viability.

It must also be appreciated that the consumer price index, as measured by CPI, is not a good measure of the cost increases of goods and services relevant to municipalities. The basket of goods and services utilised for the calculation of the CPI consist of items such as food, petrol and medical services, whereas the cost drivers of a municipality are informed by items such as the cost of remuneration, bulk purchases of electricity and water, petrol, diesel, chemicals, cement etc. The current challenge facing the municipality is managing the gap between cost drivers and tariffs levied, as any shortfall must be made up by either operational efficiency gains or service level reductions. Within this framework the municipality has undertaken the tariff setting process relating to service charges as follows.

1.4.1 Property Rates

Property rates cover the cost of the provision of general services. Determining the effective property rate tariff is therefore an integral part of the municipality's budgeting process.

National Treasury's MFMA Circular No. 72 deals, inter alia with the implementation of the Municipal Property Rates Act, with the regulations issued by the Department of Co-operative Governance. These regulations came into effect on 1 July 2009 and prescribe the rate ratio for the non-residential categories, public service infrastructure and agricultural properties relative to residential properties to be 0.25:1. The implementation of these regulations was done in the previous budget process and the Property Rates Policy of the Municipality has been amended accordingly.

The following stipulations in the Property Rates Policy are highlighted:

- The first R30 000 of the market value of a property used for residential purposes is excluded from the rate-able value (Section 17(h) of the MPRA). In addition to this rebate, a further 10 per cent reduction on the market value of a property will be granted in terms of the Municipality's own Property Rates Policy;
- 100 per cent rebate will be granted to registered indigents in terms of the Indigent Policy;
- For pensioners, physically and mentally disabled persons, a maximum/total rebate of 100 per cent (calculated on a sliding scale) will be granted to owners of rate-able property if the total gross income of the applicant and/or his/her spouse, if any, does not to exceed the amount equal to twice the annual state pension as approved by the National Government for a financial year. In this regard the following stipulations are relevant:
    - occupy the property as his/her normal residence;
    - be at least 60 years of age or in receipt of a disability pension from the Department of Welfare and Population Development;
    - be in receipt of a total monthly income from all sources as annually determined by the municipality (including income of spouses of owner);
    - not be the owner of more than one property; and
    - provided that where the owner is unable to occupy the property due to no fault of his/her own, the spouse or minor children may satisfy the occupancy requirement.

  ii. Property owners must apply on a prescribed application form for a rebate as determined by the municipality. Applications must be accompanied by-
    - a certified copy of the identity document or any other proof of the owners age which is acceptable to the municipality;
    - sufficient proof of income of the owner and his/her spouse;
    - an affidavit from the owner;
    - if the owner is a disabled person proof of a disability pension payable by the state must be supplied; and
    - if the owner has retired at an earlier stage for medical reasons proof thereof must be submitted.

    .

- The Municipality may award a 100 per cent grant-in-aid on the assessment rates of rate-able properties of certain classes such as registered welfare organizations, institutions or organizations performing charitable work, sports grounds used for purposes of amateur sport. The owner of such a property must apply to the Chief Financial Officer in the prescribed format for such a grant.

The categories of rate-able properties for purposes of levying rates and the proposed rates for the 2015/16 financial year based on a 5.8 per cent increase from 1 July 2015 is contained below:

Table 4 Comparison of proposed rates to levied for the 2015/16 financial year

Category	Current Tariff (1 July 2014)	Proposed tariff (from 1 July 2015)
	c	C
Residential properties	0.0105	0.0111
State owned properties	0.0263	0.0278
Business & Commercial	0.0197	0.0209
Agricultural	0.0105	0.0111
Vacant land	0.0105	0.0111
Schools	0.0263	0.0278
Public service infrastructure	0.0105	0.0111

1.4.2 Sale of Water and Impact of Tariff Increases

With the current water and electricity supply challenges facing the municipality and the country at large, since demand growth outstrips supply. National Treasury has in the past encouraged all municipalities to carefully review the level and structure of their water tariffs to ensure:

- Water tariffs are fully cost-reflective – including the cost of maintenance and renewal of purification plants, water networks and the cost associated with reticulation expansion;
- Water tariffs are structured to protect basic levels of service and ensure the provision of free water to the poorest of the poor (indigent); and
- Water tariffs are designed to encourage efficient and sustainable consumption.

Better maintenance of infrastructure, new dam construction and cost-reflective tariffs will ensure that the supply challenges are managed in future to ensure sustainability.

Although the municipality has increased the water tariffs by 5.8 per cent, actual growth in the anticipated revenue from the sale of water is 12 per cent; this is due to increased number in houses with water connection and the municipality's decision to stop the 6 kl subsidy given to non-indigents.

A tariff increase of 5.8 per cent from 1 July 2015 for water is proposed. This is based on input cost assumptions of the increase in the cost of bulk water (Rand Water), the cost of other inputs increasing at a higher percentage. In addition 6 kℓ water per 30-day period will only be granted free of charge to indigent residents.

A summary of the proposed tariffs for households (residential) and non-residential are as follows

Table 5 Proposed Water Tariffs

PART 1 : SUPPLY OF WATER

that as from 1 July 2015, the tariffs for the supply of water be determined as follows and are subjected to VAT:

Schedule (b) Water		Parys/Heibron/Vredefort/Koppies/Edenville								
Tariffs excluding VAT	**Tariff Codes Services**		**2010/11**	**2011/12**	**2012/2013**	**2013/2014**	**2014/2015**	**2015/2016**	**VAT%**	**TOTAL**
Residential/Church - Conv	BW001	**Basic**	29,94	32,00	33,92	35,82	37,89	40,09	5,61	45,70
0 - 6		**Free Cons**								
7 - 20										
21 - 30	WA001	**0 - 20**	4,28	6,46	6,85	7,23	7,65	8,09	1,13	9,23
31 - >	WA001	**21 - 30**	4,55	5,01	6,95	7,34	7,76	8,21	1,15	9,36
	WA001	**31 - >**	4,89	5,38	7,05	7,44	7,87	8,33	1,17	9,50
Business (per Business)	BW002	Basic	96,15	102,78	108,94	115,04	121,70	128,76	18,03	146,78
	WA002	Cons	3,48	6,46	6,85	7,23	7,65	8,09	1,13	9,23
Without meters	BW002	Basic	96,15	102,78	108,94	115,04	121,70	128,76	18,03	146,78
			-							
Bulk/Government/Schools	BW004	Basic	96,14	102,78	108,93	115,03	121,69	128,75	18,03	146,78
	WA004	Cons	4,27	6,46	6,85	7,23	7,65	8,09	1,13	9,23
			-							
Industrial	BW009	Basic	62,67	66,99	71,01	74,98	79,32	83,92	11,75	95,67
	WA009	Cons	3,48	6,46	6,85	7,23	7,65	8,09	1,13	9,23
			-							
Small Business(Business from Home)	BW010	Basic	47,70	50,99	54,05	57,07	60,38	63,88	8,94	72,82
	WA015	Cons	3,56	6,46	6,85	7,23	7,65	8,09	1,13	9,23
			-							
Municipal	WA005	Cons	5,30	6,46	6,85	7,23	7,65	8,09	1,13	9,23
			-							
Sewerage	WA013	Cons	1,23	3,82	4,05	4,28	4,52	4,79	0,67	5,46
			-							
Unpurified	WA014	Cons	1,72	3,82	4,05	4,28	4,52	4,79	0,67	5,46
			-							
Sports Organisations	WA007	Cons	3,25	6,46	6,85	7,23	7,65	8,09	1,13	9,23
			-							
Vacant stands	BW000	Basic	63,60	67,99	72,06	76,10	80,50	85,17	11,92	97,10

1.4.3 Sale of Electricity and Impact of Tariff Increases

A proposed 12.2 per cent increase in the Eskom bulk electricity tariff to municipalities will be effective from 1 July 2015.

Considering the Eskom increases, the consumer tariff had to be increased by 12.2 per cent. Furthermore, it should be noted that given the magnitude of the tariff increase, it is expected to depress growth in electricity consumption, which will have a negative impact on the municipality's revenue from electricity.

Registered indigents will again be granted 50 kWh per 30-day period free of charge. The municipality has resolved to stop with immediate effect the grant of free 5kWh of electricity to non-indigents.

The inadequate electricity bulk capacity and the impact on service delivery and development remains a challenge for the Municipality. Most of the municipality's reticulation network was designed or strengthened in the early 1980's with an expected 20-25 year life-expectancy. The upgrading of the Municipality's electricity network has therefore become a strategic priority, especially the substations and transmission lines.

The approved budget for the Electricity Division can only be utilised for certain committed upgrade projects and to strengthen critical infrastructure (e.g. substations without back-up supply).

Owing to the high increases in Eskom's bulk tariffs, it is clearly not possible to fund these necessary upgrades through increases in the municipal electricity tariff – as the resultant tariff increases would be unaffordable for the consumers. The municipality needs to explore other means of financing the required upgrades.

The municipality has embarked on programme where it is replacing and fixing all bridged and broken meters, this will result in an increase in the anticipated revenue that is above the proposed tariff increase.

1.4.4 Sanitation and Impact of Tariff Increases

A tariff increase of 5.8 per cent for sanitation from 1 July 2015 is proposed. This is based on the input cost assumptions related to water.

The following table compares the current and proposed tariffs:

Table 7 Comparison between current sanitation charges and increases

PART 1 : SUPPLY OF SANITATION										
Schedule 6(d) Sewerage		**Parys/Heibron/Vredefort/Koppies/Edenville**								
Tariffs excluding VAT	**Tariff Codes**	**Services**	**2010/11**	**2011/12**	**2012/2013**	**2013/2014**	**2014/2015**	**2015/2016**	**VAT%**	**TOTAL**
Residential:	SE001	Waterborne (per household)	62,11	67,70	71,76	75,78	80,16	84,81	11,87	96,69
	SEBS	Bucket System	31,47	34,30	36,36	38,39	40,62	42,97	6,02	48,99
	SEST	Suction Tank	61,23	66,74	70,74	74,70	79,03	83,61	11,71	95,32
Schools/Government	SE008	Per point	82,86	114,14	120,98	127,75	135,15	142,99	20,02	163,00
Businesses/Hostels	SE002	Per Business/Unit/Empty Business	159,28	219,41	232,56	245,58	259,80	274,87	38,48	313,35
	SEH011	Clover				62 339,75	65 949,22	69 774,28	9 768,40	79 542,68
	SEH012	Simba				1 558,73	1 648,98	1 744,62	244,25	1 988,87
Khaya Ebubhesi	Sundry	Khaya Ebubhesi Per Dumping	246,24	339,19	359,51	379,64	401,62	424,91	59,49	484,40
		As Per Council Resolution								
Small Business (Business From Home)	SEH016	Waterborne per shop	62,11	85,56	90,69	95,76	101,31	107,18	15,01	122,19
Sport Organisations	SE007	Per Point	69,78	96,12	101,87	107,58	113,81	120,41	16,86	137,27
Departmental (Municipal)	SE005	Per Point	61,23	84,35	89,40	94,40	99,87	105,66	14,79	120,46
										-
Vacant Stands	SE000		65,00	89,54	94,90	100,22	106,02	112,17	15,70	127,87
Abattoir	SE003		1 741,89	2 399,45	2 543,18	2 685,60	2 841,09	3 005,88	420,82	3 426,70
Churches and Welfare Organisations	SE013	Fixed basic charge	61,23	84,35	89,40	94,40	99,87	105,66	14,79	120,46
Bulk	SE004	Per point	55,69	76,72	81,31	85,86	90,84	96,10	13,45	109,56
Holiday Resorts/Hotels/Guest Houses	SE006	Per Point	61,53	84,75	89,83	94,86	100,35	106,17	14,86	121,04
Old Aged Homes:	SE009	Clinic/Rooms Per Point	38,27	52,72	55,88	59,01	62,42	66,04	9,25	75,29
	SE010	Flats/Houses Per Unit	62,12	85,56	90,69	95,77	101,31	107,19	15,01	122,19
Interes at the rate of Prime plus 2 (two) percent will be levied on all 60 days outstanding accounts.										

1.4.5 Waste Removal and Impact of Tariff Increases

It is widely accepted that the rendering of the waste removal service should at least break even, which is currently not the case. The Municipality will have to implement a solid waste strategy to ensure that this service can be rendered in a sustainable manner over the medium to long-term. The main contributors to this deficit are repairs and maintenance on vehicles, hiring of plant, increases in general expenditure such as petrol and diesel and the cost of remuneration. Considering the above, it is recommended that a comprehensive investigation into the cost structure of solid waste function be undertaken, and that this include investigating alternative service delivery models. The outcomes of this investigation will be incorporated into the next planning cycle.

A 5.8 per cent increase in the waste removal tariff is proposed from 1 July 2015. Higher increases will not be viable in 2015/16. Any increase higher than 5.8 per cent would be counter-productive and will result in affordability challenges for individual rates payers raising the risk associated with bad debt.

The following table compares current and proposed amounts payable from 1 July 2015:

Table 8 Comparison between current waste removal fees and increases

PART 1 : SUPPLY OF REFUSE										
Refuse			Parys/Heibron/Vredefort/Koppies/Edenville							
Tariffs excluding VAT		Tariff Codes Services	2010/11	2011/12	2012/13	2013/14	2014/15	2015/2016	VAT%	TOTAL
Residential		RF001	56,12	64,26	68,11	71,92	76,09	80,50	11,27	91,77
Holiday Resorts	/Cottage	RF016	22,08	25,17	26,67	28,17	29,80	31,53	4,41	35,94
Office considered as 1 Cottage	/Caravan Stand	RF017	11,10	12,66	13,42	14,17	14,99	15,86	2,22	18,08
Churches and Welfare		RF018	56,12	63,97	67,80	71,60	75,75	80,14	11,22	91,36
Small Business(Business From Home)		RF020	56,12	63,97	67,80	71,60	75,75	80,14	11,22	91,36
Municipal		RF005	43,12	49,15	52,10	55,01	58,20	61,57	8,62	70,19
Sports Clubs		RE007	18,56	21,16	22,43	23,69	25,06	26,51	3,71	30,22
Industrial	Large	RE009	255,14	290,86	308,29	325,55	344,40	364,38	51,01	415,39
Businesses Restau-	1	RF002	81,40	92,79	98,35	103,86	146,49	154,99	21,70	176,69
rants, café's,	2		122,36	139,49	147,84	156,12	220,21	232,98	32,62	265,60
	3-99999999		183,26	208,91	221,43	233,83	329,83	348,96	48,85	397,81
Government properties	1-999999		183,26	212,58	225,31	237,93	335,61	355,07	49,71	404,78
Hotels, Supermarkets	0-2	RF015	368,99	420,65	445,85	470,81	664,09	702,61	98,37	800,98
Hospitals, Country Club, Guest Houses	3-99999999		55,53	63,30	67,09	70,85	99,93	105,73	14,80	120,53
Old Aged Homes	1	RF019	26,15	29,82	31,60	33,37	35,30	37,35	5,23	42,58
Hostels	2-99999999		5,34	6,09	6,45	6,81	7,21	7,63	1,07	8,69
Bulk	1	RF004	350,76	399,86	423,81	447,55	631,28	667,89	93,51	761,40
Government	2-99999999		52,78	60,17	63,77	67,34	94,99	100,50	14,07	114,57
Schools	1	RF008	26,15	29,82	31,60	447,55	631,28	667,89	93,51	761,40
	2-99999999		5,34	6,09	6,45	67,34	94,99	100,50	14,07	114,57

1.4.6 Overall impact of tariff increases on households

The following table shows the overall expected impact of the tariff increases on a large and small household, as well as an indigent household receiving free basic services.

Note that in all instances the overall impact of the tariff increases on household's bills has been kept to between 7.3 and 8.8 per cent, with the increase for indigent households at 8.7 per cent.

Table 9 MBRR Table SA14 – Household bills

FS203 Ngwathe - Supporting Table SA14 Household bills

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework			
Rand/cent		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16 % incr.	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Monthly Account for Household - 'Middle Income Range'	1										
Rates and services charges:											
Property rates		363,66	385,11	406,68	531,56	531,56	531,56	5,8%	557,78	588,46	619,65
Electricity: Basic levy					–	–	–		–	–	–
Electricity: Consumption		1 052,88	1 141,44	1 232,76	1 363,15	1 363,15	1 363,15	12,2%	1 436,20	1 515,19	1 595,50
Water: Basic levy		32,00	33,89	35,79	43,20	43,20	43,20	5,8%	40,09	42,29	44,54
Water: Consumption		157,51	166,80	176,14	184,60	184,60	184,60	5,8%	243,90	257,31	270,95
Sanitation		67,70	71,69	75,71	80,09	80,09	80,09	5,8%	84,81	89,47	94,22
Refuse removal		64,26	68,05	71,86	76,09	76,09	76,09	5,8%	80,50	84,93	89,43
Other					–	–	–	–	–	–	–
sub-total		**1 738,01**	**1 866,99**	**1 998,94**	**2 278,69**	**2 278,69**	**2 278,69**	**7,2%**	**2 443,28**	**2 577,66**	**2 714,28**
VAT on Services		192,40	207,46	222,92	244,60	244,60	244,60		263,97	278,49	293,25
Total large household bill:		**1 930,41**	**2 074,45**	**2 221,86**	**2 523,29**	**2 523,29**	**2 523,29**	**7,3%**	**2 707,25**	**2 856,15**	**3 007,53**
% increase/-decrease			**7,5%**	**7,1%**	**13,6%**	**–**	**–**		**7,3%**	**5,5%**	**5,3%**
Monthly Account for Household - 'Affordable Range'	2										
Rates and services charges:											
Property rates		363,66	385,11	406,68	374,06	374,06	374,06	5,8%	391,28	412,80	434,68
Electricity: Basic levy					–	–	–		–	–	–
Electricity: Consumption		412,48	446,60	477,86	678,15	678,15	678,15	12,2%	718,10	757,60	797,75
Water: Basic levy		32,00	33,89	35,79	43,20	43,20	43,20	5,8%	40,09	42,29	44,54
Water: Consumption		157,51	166,80	176,14	145,90	145,90	145,90	5,8%	202,85	214,01	225,35
Sanitation		67,70	71,69	75,71	80,09	80,09	80,09	5,8%	84,81	89,47	94,22
Refuse removal		64,26	68,05	71,86	76,09	76,09	76,09	5,8%	80,50	84,93	89,43
Other					–	–	–	–	–	–	–
sub-total		**1 097,61**	**1 172,15**	**1 244,04**	**1 397,49**	**1 397,49**	**1 397,49**	**8,6%**	**1 517,63**	**1 601,10**	**1 685,96**
VAT on Services		102,75	110,19	117,23	142,39	142,39	142,39		157,69	166,36	175,18
Total small household bill:		**1 200,36**	**1 282,34**	**1 361,27**	**1 539,88**	**1 539,88**	**1 539,88**	**8,8%**	**1 675,32**	**1 767,46**	**1 861,14**
% increase/-decrease			**6,8%**	**6,2%**	**13,1%**	**–**	**–**		**8,8%**	**5,5%**	**5,3%**
Monthly Account for Household - 'Indigent' Household receiving free basic services	3										
Rates and services charges:											
Property rates		191,14	202,41	213,75	–	–	–		–	–	–
Electricity: Basic levy					–	–	–		–	–	–
Electricity: Consumption		357,38	387,44	418,44	276,00	276,00	276,00	#NAME?	309,00	326,00	343,27
Water: Basic levy		32,00	33,89	35,79	37,89	37,89	37,89	#NAME?	40,09	42,29	44,54
Water: Consumption		90,44	95,78	101,14	107,10	107,10	107,10	#NAME?	113,26	119,49	125,82
Sanitation		67,70	71,69	75,71	80,16	80,16	80,16	#NAME?	84,81	89,47	94,22
Refuse removal		64,26	68,05	71,86	76,09	76,09	76,09	#NAME?	80,50	84,93	89,43
Other					–	–	–		–	–	–
sub-total		**802,92**	**859,26**	**916,69**	**577,24**	**577,24**	**577,24**	**8,7%**	**627,66**	**662,18**	**697,28**
VAT on Services		85,65	91,96	98,41	80,81	80,81	80,81	#NAME?	87,87	92,71	97,62
Total small household bill:		**888,57**	**951,22**	**1 015,10**	**658,05**	**658,05**	**658,05**	**8,7%**	**715,53**	**754,89**	**794,90**
% increase/-decrease			**7,1%**	**6,7%**	**(35,2%)**	**–**	**–**		**8,7%**	**5,5%**	**5,3%**

1.5 Operating Expenditure Framework

The Municipality's expenditure framework for the 2015/16 budget and MTREF is informed by the following:

- The asset renewal strategy and the repairs and maintenance plan (informed by the municipal master plans);
- Balanced budget constraint (operating expenditure should not exceed operating revenue) unless there are existing uncommitted cash-backed reserves to fund any deficit;
- Funding of the budget over the medium-term as informed by Section 18 and 19 of the MFMA;
- The capital programme is aligned to the asset renewal strategy and backlog eradication plan;
- Operational gains and efficiencies will be directed to funding the capital budget and other core services; and
- Strict adherence to the principle of *no project plan no budget*. If there is no business plan no funding allocation can be made.

The following table is a high level summary of the 2015/16 budget and MTREF (classified per main type of operating expenditure):

Table 10 Summary of operating expenditure by standard classification item

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Expenditure By Type											
Employee related costs	2	119 273	177 184	–	138 928	145 144	145 144	–	166 819	175 994	185 322
Remuneration of councillors		8 615	9 047		10 442	10 442	10 442		11 073	11 682	12 301
Debt impairment	3	49 058	59 461		40 000	40 000	40 000		42 320	44 648	47 014
Depreciation & asset impairment	2	98 144	97 195	–	95 000	95 000	95 000	–	95 000	100 225	105 537
Finance charges		8 995	3 274		3 000	3 000	3 000		1 000	1 055	1 111
Bulk purchases	2	114 069	128 866	–	163 401	163 401	163 401	–	186 080	196 314	206 719
Other materials	8				10 100	10 100	10 100		10 620	11 204	11 798
Contracted services		9 880	8 507	–	15 300	15 825	15 825	–	26 260	27 704	29 173
Transfers and grants		–	–	–	38 526	38 526	38 526	–	40 761	43 003	45 282
Other expenditure	4, 5	94 837	123 696	–	72 766	65 917	65 917	–	76 799	81 023	85 317
Loss on disposal of PPE											
Total Expenditure		**502 872**	**607 229**	**–**	**587 463**	**587 356**	**587 356**	**–**	**656 732**	**692 852**	**729 573**

The budgeted allocation for employee related costs for the 2015/16 financial year totals R165.6 million, which equals 25.2 per cent of the total operating expenditure. The budget for employee related costs are based on the proposed organogram. An annual increase of 5.5 and 5.3 per cent has been included in the two outer years of the MTREF.

The cost associated with the remuneration of councillors is determined by the Minister of Co-operative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998). The most recent proclamation in this regard has been taken into account in compiling the Municipality's budget.

The provision of debt impairment for the 2015/16 financial year equates to R42.3 million and escalates to R47 million by 2017/18. While this expenditure is considered to be a non-cash flow

item, it informed the total cost associated with rendering the services of the municipality, as well as the municipality's realistically anticipated revenues. The municipality is aware that the provision for debt impairment is understated; the provision will be revised during the adjustments budget period when the municipality's debt book would have been reviewed by the service provider appointed to assist the municipality with the collection of outstanding debt.

Provision for depreciation and asset impairment has been informed by the Municipality's Asset Management Policy. Depreciation is widely considered a proxy for the measurement of the rate asset consumption. Budget appropriations in this regard total R95 million for the 2015/16 financial year and equates to 14.5 per cent of the total operating expenditure. Note that the implementation of GRAP 17 accounting standard has meant bringing a range of assets previously not included in the assets register onto the register. This has resulted in a significant increase in depreciation relative to previous years.

Finance charges consist primarily of the repayment of interest portion on long-term borrowing (cost of capital). Finance charges make up 0.15 per cent (R1 million) of operating expenditure for 2015/16.

Bulk purchases are directly informed by the purchase of electricity from Eskom and water from Rand Water. The annual price increases have been factored into the budget appropriations and directly inform the revenue provisions. The expenditures include distribution losses.

Other materials comprises of the purchase of fuel, diesel, and chemicals. For 2015/16 the appropriation against this group of expenditure is R10.5 million.

Contracted services have been identified as a cost saving area for the Municipality. As part of the compilation of the 2014/15 MTREF this group of expenditure was critically evaluated and operational efficiencies were enforced.

Other expenditure comprises of various line items relating to the daily operations of the municipality.

The following table gives a breakdown of the main expenditure categories for the 2015/16 financial year.

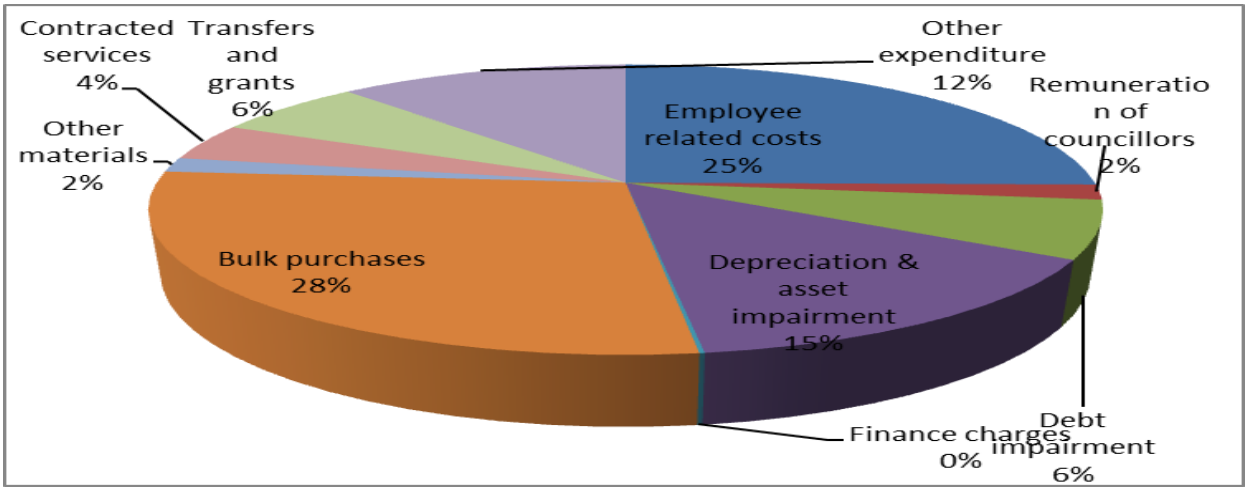

Figure 1 Main operational expenditure categories for the 2014/15 financial year

1.5.1 Priority given to repairs and maintenance

Aligned to the priority being given to preserving and maintaining the Municipality's current infrastructure, the 2015/16 budget and MTREF provide for extensive growth in the area of asset maintenance, as informed by the asset renewal strategy and repairs and maintenance plan of the Municipality. In terms of the Municipal Budget and Reporting Regulations, operational repairs and maintenance is not considered a direct expenditure driver but an outcome of certain other expenditures, such as remuneration, purchases of materials and contracted services. Considering these cost drivers, the following table is a consolidation of all the expenditures associated with repairs and maintenance:

Table 11 Operational repairs and maintenance

Repairs and Maintenance	8										
Employee related costs											
Other materials											
Contracted Services					14 940	14 400	14 400		14 300	15 087	15 886
Other Expenditure		18 582	20 977								
Total Repairs and Maintenance Expenditure	9	18 582	20 977	–	14 940	14 400	14 400	–	14 300	15 087	15 886

During the compilation of the 2015/16 MTREF operational repairs and maintenance was identified as a strategic imperative owing to the aging of the Municipality's infrastructure and historic deferred maintenance. During the 2013/14 financial year, the municipality had incorrectly budgeted for the purchase of operational assets under repairs and maintenance incorrectly. This was corrected during the 2014/15 budget process, hence the sharp decline in the repairs and maintenance budget compared to the 2013/14 financial year.

The total allocation for 2015/16 equates to R14.3 million, the allocation grows at 5.5 and 5.3 per cent over the MTREF. In relation to the total operating expenditure, repairs and maintenance comprises of 2.1per cent for the 2015/16 financial year.

The table below provides a breakdown of the repairs and maintenance in relation to asset class:

Table 12 Repairs and maintenance per asset class

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Repairs and maintenance expenditure by Asset Class/Sub-class									
Infrastructure	**12 685**	**12 838**	**7 350**	**7 350**	**5 500**	**5 500**	**3 350**	**3 534**	**3 722**
Infrastructure - Road transport	2 916	1 859	1 100	3 000	1 550	1 550	500	528	555
Infrastructure - Electricity	3 210	3 574	2 000	2 000	2 100	2 100	600	633	667
Infrastructure - Water	1 617	1 731	2 600	1 600	1 000	1 000	1 000	1 055	1 111
Infrastructure - Sanitation	2 247	2 596	1 550	500	600	600	600	633	667
Infrastructure - Other	2 694	3 079	100	250	250	250	650	686	722
Community	**4 098**	**1 690**	**1 010**	**1 840**	**1 570**	**1 570**	**500**	**528**	**555**
Other assets	**1 798**	**6 449**	**12 861**	**5 750**	**7 330**	**7 330**	**10 450**	**11 025**	**11 609**
Total Repairs and Maintenance Expenditure	**18 581**	**20 977**	**21 221**	**14 940**	**14 400**	**14 400**	**14 300**	**15 087**	**15 886**

For the 2014/15 financial year, 23.4 per cent or R3.4 million of total repairs and maintenance will be spent on infrastructure assets. Water infrastructure has received a significant proportion of

this allocation totalling 29.9 per cent (R1 million), followed by other infrastructure at 19.4 per cent (R 650 000), Electricity at 17.9 per cent (R600 000) and Roads at 14.9 per cent (R500 000).Community assets has been allocated R500 000 of total repairs and maintenance equating to 3.5 per cent.

1.6 Capital expenditure

The following table provides a breakdown of budgeted capital expenditure by vote:

Table 13 2015/16 Medium-term capital budget per vote

Vote Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Capital Expenditure - Standard											
Governance and administration		1 539	1 342	–	7 500	2 500	2 500	–	21 310	42 175	44 480
Executive and council		759	1 342		5 500	1 500	1 500		21 050	42 175	44 480
Budget and treasury office		–			2 000	1 000	1 000		260		
Corporate services		780				–	–				
Community and public safety		–	–	8 604	12 241	12 398	12 398	–	12 643	–	–
Community and social services		–			6 000	–	–				
Sport and recreation		–		8 604	5 981	8 488	8 488		9 143		
Public safety		–			260	3 910	3 910		3 500		
Housing		–				–	–				
Health		–				–	–		–		
Economic and environmental services		–	–	3 602	2 878	5 511	5 511	–	1 066	–	–
Planning and development		–				–	–				
Road transport		–		3 602	2 878	5 511	5 511		1 066		
Environmental protection		–				–	–				
Trading services		6 741	–	74 689	42 078	45 269	45 269	–	40 628	–	–
Electricity		–		20 000	8 000	13 960	13 960		8 550		
Water		–		19 693	12 676	17 440	17 440		15 696		
Waste water management		6 741		34 996	12 100	13 218	13 218		6 450		
Waste management		–		–	9 303	650	650		7 900		
Other		–		2 394	1 994	1 994	1 994		2 032		
Total Capital Expenditure - Standard	3	8 281	1 342	89 289	66 691	67 672	67 672	–	75 647	42 175	44 480

For 2015/16 an amount of R 43.6 million has been appropriated for the development of infrastructure which represents 57.7 per cent of the total capital budget. *Water Management* receives the highest allocation of R15.7 million in 2015/16 which equates to 35.9 per cent followed by *Electricity infrastructure* at 19.6 per cent, R8.6 million and then *Waste management* at 18.1 per cent, R7.9 million.

Some of the salient projects to be undertaken over the medium-term includes, amongst others:

- Heilbron: upgrading of sewer treatment works - R 4.8 million
- Parys: Refurbishment and upgrading of water treatment works Phase 3 - R 650 000
- Edenville: Paving of internal roads 1 km - R 300 000
- Koppies: Paving of internal roads 1 Km - R 300 000
- Kwakwatsi: Construction of sports facility - R 5.3 million
- Mokwallo: Construction of sports complex - R 3.7 million
- Phiritona: Construction of the sports complex phase 2 (MIS:227453) – R 200 000
- Heilbron/Phiritona: Paving of internal roads 1km (MIS:226541) -R 315 581.65
- Koppies/Kwakwatsi: Construction of 3.5km storm water channel - R 150 000
- Construction of a solid waste disposal site in Parys - R 7.9 million
- Heilbron: Installation of 511 residential meters and 45 bulk water meters – R 2.4 million
- Parys: Upgrading of the Water Purification plant utilizing a compact plant – R 12.7 million

1.7 Annual Budget Tables - Parent Municipality

The following eighteen pages present the ten main budget tables as required in terms of section 8 of the Municipal Budget and Reporting Regulations. These tables set out the municipality's 2015/16 budget and MTREF as tabled at Council. Each table is accompanied by *explanatory notes*.

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Table 14 MBRR Table A1 - Budget Summary

FS203 Ngwathe - Table A1 Budget Summary

Description	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
R thousands	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Financial Performance										
Property rates	**68 562**	48 723	42 923	51 297	51 297	51 297	–	56 633	59 918	63 094
Service charges	154 866	256 157	315 691	257 872	257 972	257 972	–	275 747	291 187	307 622
Investment revenue	575	1 435	2 057	2 757	1 757	1 757	–	1 858	1 966	2 070
Transfers recognised - operational	163 319	156 259	147 282	163 765	163 765	163 765	–	162 761	159 080	158 359
Other own revenue	20 267	25 123	31 068	7 995	9 756	9 756	–	15 098	15 973	16 824
Total Revenue (excluding capital transfers and contributions)	407 589	487 698	539 021	483 685	484 546	484 546	–	512 098	528 125	547 969
Employee costs	119 273	177 184	175 491	138 928	145 144	145 144	–	166 819	175 994	185 322
Remuneration of councillors	8 615	9 047	10 084	10 442	10 442	10 442	–	11 073	11 682	12 301
Depreciation & asset impairment	98 144	97 195	101 495	95 000	95 000	95 000	–	95 000	100 225	105 537
Finance charges	8 995	3 274	1 827	3 000	3 000	3 000	–	1 000	1 055	1 111
Materials and bulk purchases	114 069	128 866	149 690	173 501	173 501	173 501	–	196 700	207 518	218 517
Transfers and grants	–	–	–	38 526	38 526	38 526	–	40 761	43 003	45 282
Other expenditure	153 775	191 664	151 680	128 066	121 742	121 742	–	145 379	153 375	161 504
Total Expenditure	502 872	607 229	590 268	587 463	587 356	587 356	–	656 732	692 852	729 573
Surplus/(Deficit)	(95 282)	(119 532)	(51 246)	(103 778)	(102 809)	(102 809)	–	(144 634)	(164 727)	(181 604)
Transfers recognised - capital	–	–	–	–	–	–	–	43 637	46 175	48 480
Contributions recognised - capital & contributed a	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	(95 282)	(119 532)	(51 246)	(103 778)	(102 809)	(102 809)	–	(100 997)	(118 552)	(133 124)
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	(95 282)	(119 532)	(51 246)	(103 778)	(102 809)	(102 809)	–	(100 997)	(118 552)	(133 124)
Capital expenditure & funds sources										
Capital expenditure	**8 281**	1 342	61 066	66 691	67 672	67 672	–	75 647	46 175	48 480
Transfers recognised - capital	**7 522**	–	56 802	44 881	47 252	47 252	–	43 637	46 175	48 480
Public contributions & donations	**–**	–	–	–	–	–	–	–	–	–
Borrowing	**–**	–	–	–	–	–	–	–	–	–
Internally generated funds	**759**	1 342	4 264	21 810	20 420	20 420	–	32 010	–	–
Total sources of capital funds	**8 281**	1 342	61 066	66 691	67 672	67 672	–	75 647	46 175	48 480
Financial position										
Total current assets	**261 727**	366 196	479 889	480 235	480 235	480 235	–	900 523	838 830	773 399
Total non current assets	**1 279 414**	1 183 646	1 248 247	1 237 232	1 237 232	1 237 232	–	1 229 091	1 175 041	1 117 990
Total current liabilities	**271 754**	337 357	454 778	247 597	247 597	247 597	–	242 292	222 592	182 155
Total non current liabilities	**70 921**	87 502	103 683	42 820	42 820	42 820	–	40 052	38 275	38 275
Community wealth/Equity	**1 198 465**	1 124 983	1 169 674	1 427 049	1 427 049	1 427 049	–	1 847 270	1 753 004	1 670 959
Cash flows										
Net cash from (used) operating	**75 668**	96 438	12 388	26 985	25 707	25 707	–	(37 015)	(35 997)	(25 247)
Net cash from (used) investing	**–**	–	(47 539)	(66 691)	(67 672)	(67 672)	–	(50 647)	(22 175)	(24 480)
Net cash from (used) financing	**–**	–	(6 615)	(3 000)	(3 000)	(3 000)	–	(2 200)	(1 055)	(1 111)
Cash/cash equivalents at the year end	**75 668**	96 438	4 888	3 609	1 350	1 350	–	(54 077)	(113 304)	(164 142)
Cash backing/surplus reconciliation										
Cash and investments available	**31 035**	47 893	8 216	60 240	60 240	60 240	–	211 533	214 487	216 077
Application of cash and investments	**174 472**	249 629	399 517	172 026	172 423	172 423	–	150 093	128 188	94 285
Balance - surplus (shortfall)	**(143 437)**	(201 736)	(391 301)	(111 786)	(112 183)	(112 183)	–	61 440	86 299	121 792
Asset management										
Asset register summary (WDV)	**1 383 050**	1 435 882	152 718	1 579 505	1 580 486	1 580 486	1 656 133	1 656 133	1 702 308	1 750 788
Depreciation & asset impairment	**98 144**	97 195	101 495	95 000	95 000	95 000	95 000	95 000	100 225	105 537
Renewal of Existing Assets	**–**	–	–	16 374	19 007	19 007	19 007	18 125	–	–
Repairs and Maintenance	**18 581**	20 977	–	14 940	14 400	14 400	14 300	14 300	15 087	15 886
Free services										
Cost of Free Basic Services provided	**57 500**	0	–	3 174	3 174	3 174	0	0	0	0
Revenue cost of free services provided	**57 511**	79 287	18 526	38 526	38 526	38 526	56 812	56 812	59 937	63 113
Households below minimum service level										
Water:	–	–	–	–	–	–	1	1	–	–
Sanitation/sewerage:	3	3	3	1	1	1	2	2	–	–
Energy:	–	–	–	–	–	–	–	–	–	–
Refuse:	–	–	–	–	–	–	1	1	–	–

Explanatory notes to MBRR Table A1 - Budget Summary

1. Table A1 is a budget summary and provides a concise overview of the Municipality's budget from all of the major financial perspectives (operating, capital expenditure, financial position, cash flow, and MFMA funding compliance).
2. The table provides an overview of the amounts tabled at Council for operating performance, resources deployed to capital expenditure, financial position, cash and funding compliance, as well as the municipality's commitment to eliminating basic service delivery backlogs.
3. Financial management reforms emphasises the importance of the municipal budget being funded. This requires the simultaneous assessment of the Financial Performance, Financial Position and Cash Flow Budgets, along with the Capital Budget. The Budget Summary provides the key information in this regard:
    a. The operating surplus/deficit (after Total Expenditure) is positive over the MTREF
    b. Capital expenditure is balanced by capital funding sources, of which
        i. Transfers recognised is reflected on the Financial Performance Budget;
        ii. Borrowing is incorporated in the net cash from financing on the Cash Flow Budget
        iii. Internally generated funds is financed from the current operating surplus.
4. Even though the Council is placing great emphasis on securing the financial sustainability of the municipality, this is not being done at the expense of services to the poor. The section of Free Services shows that the amount spent on Free Basic Services and the revenue cost of free services provided by the municipality continues to increase.

Table 15 MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)

FS203 Ngwathe - Table A2 Budgeted Financial Performance (revenue and expenditure by standard classification)

Standard Classification Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Revenue - Standard										
Governance and administration		**251 948**	**268 548**	**221 163**	**220 803**	**219 960**	**219 960**	**270 941**	**273 541**	**278 744**
Executive and council		–	–	–	–	–	–	–	–	–
Budget and treasury office		251 948	267 176	221 163	220 500	219 655	219 655	270 935	273 536	278 739
Corporate services		–	1 371	–	303	305	305	5	6	6
Community and public safety		**775**	**3 632**	**1 250**	**2 733**	**3 627**	**3 627**	**4 081**	**4 318**	**4 552**
Community and social services		–	677	931	920	1 252	1 252	884	935	984
Sport and recreation		–	2 020	36	1 008	1 520	1 520	2 096	2 218	2 335
Public safety		775	935	283	805	855	855	1 102	1 166	1 232
Housing		–	–	–	–	–	–	–	–	–
Health		–	–	–	–	–	–	–	–	–
Economic and environmental services		**–**	**158**	**193**	**1 530**	**1 602**	**1 602**	**2 059**	**2 178**	**2 294**
Planning and development		–	158	176	1 528	1 598	1 598	2 055	2 174	2 289
Road transport		–	–	17	2	4	4	4	4	5
Environmental protection		–	–	–	–	–	–	–	–	–
Trading services		**154 866**	**261 284**	**316 416**	**258 619**	**259 357**	**259 357**	**278 634**	**294 241**	**310 837**
Electricity		70 468	137 751	126 844	146 052	146 707	146 707	157 313	165 884	175 259
Water		31 208	67 638	134 486	40 311	40 411	40 411	42 754	45 234	47 637
Waste water management		28 433	30 205	26 002	37 109	37 092	37 092	41 380	43 780	46 317
Waste management		24 757	25 692	29 084	35 148	35 148	35 148	37 186	39 343	41 624
Other	4	**–**	**15**	**–**	**–**	**–**	**–**	**20**	**21**	**22**
Total Revenue - Standard	2	**407 589**	**533 636**	**539 021**	**483 684**	**484 546**	**484 546**	**555 735**	**574 300**	**596 449**
Expenditure - Standard										
Governance and administration		**292 424**	**302 263**	**154 179**	**189 947**	**190 271**	**190 271**	**217 795**	**229 774**	**241 952**
Executive and council		25 006	31 382	45 897	45 280	43 658	43 658	48 084	50 729	53 418
Budget and treasury office		249 713	233 590	83 712	122 628	123 996	123 996	141 765	149 562	157 489
Corporate services		17 705	37 291	24 570	22 038	22 618	22 618	27 946	29 483	31 045
Community and public safety		**28 047**	**50 466**	**58 435**	**48 818**	**49 772**	**49 772**	**54 592**	**57 594**	**60 647**
Community and social services		10 705	29 984	35 305	21 480	23 192	23 192	25 271	26 661	28 074
Sport and recreation		8 290	10 615	11 592	12 429	12 600	12 600	12 862	13 569	14 288
Public safety		8 131	9 007	10 420	13 653	12 759	12 759	15 041	15 869	16 710
Housing		920	860	1 118	1 257	1 221	1 221	1 418	1 496	1 575
Health		–	–	–	–	–	–	–	–	–
Economic and environmental services		**30 873**	**37 772**	**129 518**	**124 985**	**123 513**	**123 513**	**129 053**	**136 151**	**143 367**
Planning and development		26 743	589	2 355	4 282	2 175	2 175	3 192	3 367	3 546
Road transport		4 130	37 182	127 163	120 703	121 338	121 338	125 861	132 784	139 821
Environmental protection		–	–	–	–	–	–	–	–	–
Trading services		**151 527**	**216 728**	**248 136**	**223 711**	**223 905**	**223 905**	**255 292**	**269 333**	**283 608**
Electricity		110 519	126 181	155 479	165 768	164 888	164 888	185 704	195 918	206 301
Water		24 552	58 102	67 321	25 686	26 198	26 198	32 106	33 872	35 667
Waste water management		6 969	13 547	11 423	18 843	19 455	19 455	21 933	23 139	24 365
Waste management		9 487	18 897	13 913	13 413	13 363	13 363	15 549	16 404	17 274
Other	4	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Total Expenditure - Standard	3	**502 872**	**607 229**	**590 268**	**587 461**	**587 461**	**587 461**	**656 732**	**692 852**	**729 573**
Surplus/(Deficit) for the year		**(95 283)**	**(73 592)**	**(51 246)**	**(103 776)**	**(102 915)**	**(102 915)**	**(100 997)**	**(118 552)**	**(133 124)**

Explanatory notes to MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)

1. Table A2 is a view of the budgeted financial performance in relation to revenue and expenditure per standard classification. The modified GFS standard classification divides the municipal services into 15 functional areas. Municipal revenue, operating expenditure and capital expenditure are then classified in terms if each of these functional areas which enables the National Treasury to compile 'whole of government' reports.
2. Note that as a general principle the revenues for the Trading Services should exceed their expenditures. The table highlights that this is the case for Water and Waste water functions and Waste management function but not the Electricity function. This is mainly due to losses experienced on the electricity function, the municipality has action plans in place to address losses in the electricity function.
3. Other functions that show a deficit between revenue and expenditure are being financed from rates revenues and other revenue sources.

Table 16 MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)

FS203 Ngwathe - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Revenue by Vote	1									
Vote 1 - Executive and Council		–	–	–	–	–	–	–	–	–
Vote 2 - Finance and Admin		251 948	268 547	221 163	220 803	219 960	219 960	270 941	273 541	278 744
Vote 3 - Planning and Development		–	158	176	1 528	1 598	1 598	2 055	2 174	2 289
Vote 4 - Community and Social services		–	677	931	920	1 252	1 252	884	935	984
Vote 5 - Housing		–	–	–	–	–	–	–	–	–
Vote 6 - Public Safety		775	935	283	805	855	855	1 102	1 166	1 232
Vote 7 - Sports and Recreation		–	2 020	36	1 008	1 520	1 520	2 096	2 218	2 335
Vote 8 - Waste Management		24 757	25 692	29 084	35 148	35 148	35 148	37 186	39 343	41 624
Vote 9 - Waste Water Management		28 433	30 205	26 002	37 109	37 092	37 092	41 380	43 780	46 317
Vote 10 - Road Transport		–	–	17	2	4	4	2	2	2
Vote 11 - Water		31 208	67 638	134 486	40 311	40 411	40 411	42 754	45 234	47 637
Vote 12 - Electricity		70 468	137 751	126 844	146 052	146 707	146 707	157 313	165 884	175 259
Vote 13 - Technical Services and PMU		–	–	–	–	–	–	2	2	2
Vote 14 - Airport		–	15	–	–	–	–	20	21	22
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–	–	–
Total Revenue by Vote	2	**407 589**	**533 638**	**539 021**	**483 685**	**484 546**	**484 546**	**555 735**	**574 300**	**596 449**
Expenditure by Vote ***to be appropriated***	1									
Vote 1 - Executive and Council		25 007	31 382	45 897	45 280	43 658	43 658	48 084	50 729	53 418
Vote 2 - Finance and Admin		267 418	270 881	108 282	144 666	146 613	146 613	169 710	179 045	188 534
Vote 3 - Planning and Development		26 743	589	2 355	4 282	2 175	2 175	3 192	3 367	3 546
Vote 4 - Community and Social services		10 704	29 984	35 305	21 480	23 192	23 192	25 271	26 661	28 074
Vote 5 - Housing		920	860	1 118	1 257	1 221	1 221	1 418	1 496	1 575
Vote 6 - Public Safety		8 131	9 007	10 420	13 653	12 759	12 759	15 041	15 869	16 710
Vote 7 - Sports and Recreation		8 290	10 615	11 592	12 429	12 600	12 600	12 862	13 569	14 288
Vote 8 - Waste Management		9 487	18 897	13 913	13 413	13 363	13 363	15 549	16 404	17 274
Vote 9 - Waste Water Management		6 969	13 547	11 423	18 843	19 455	19 455	21 933	23 139	24 365
Vote 10 - Road Transport		4 130	37 182	127 163	102 695	103 330	103 330	103 708	109 411	115 210
Vote 11 - Water		24 552	58 102	67 321	25 686	26 198	26 198	32 106	33 872	35 667
Vote 12 - Electricity		110 519	126 181	155 479	165 768	164 888	164 888	185 704	195 918	206 301
Vote 13 - Technical Services and PMU		–	–	–	18 008	18 008	18 008	22 154	23 372	24 611
Vote 14 - Airport		–	–	–	–	–	–	–	–	–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–	–	–
Total Expenditure by Vote	2	**502 870**	**607 227**	**590 268**	**587 461**	**587 460**	**587 460**	**656 731**	**692 852**	**729 573**
Surplus/(Deficit) for the year	2	**(95 281)**	**(73 589)**	**(51 246)**	**(103 776)**	**(102 914)**	**(102 914)**	**(100 996)**	**(118 552)**	**(133 124)**

Explanatory notes to MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)

1. Table A3 is a view of the budgeted financial performance in relation to the revenue and expenditure per municipal vote. This table facilitates the view of the budgeted operating performance in relation to the organisational structure of the Municipality. This means it is possible to present the operating surplus or deficit of a vote. The following table is an analysis of the surplus or deficit for the electricity and water trading services.

Table 17 Surplus/ (Deficit) calculations for the trading services

Vote Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Vote 8 - Waste Management									
Total Revenue	24 757	25 692	29 084	35 148	35 148	35 148	37 186	39 343	41 624
Total Expenditure	9 487	18 897	13 913	13 413	13 363	13 363	15 549	16 404	17 274
Surplus/(Deficit) for year	**15 270**	**6 795**	**15 171**	**21 734**	**21 784**	**21 784**	**21 637**	**22 939**	**24 350**
Percentage surplus/(Deficit)	62%	26%	52%	62%	62%	62%	58%	58%	59%
Vote 9 - Waste Water Management									
Total Revenue	28 433	30 205	26 002	37 109	37 092	37 092	41 380	43 780	46 317
Total Expenditure	6 969	13 547	11 423	18 843	19 455	19 455	21 933	23 139	24 365
Surplus/(Deficit) for year	**21 464**	**16 658**	**14 579**	**18 266**	**17 637**	**17 637**	**19 447**	**20 641**	**21 952**
Percentage surplus/(Deficit)	75%	55%	56%	49%	48%	48%	47%	47%	47%
Vote 11 - Water									
Total Revenue	31 208	67 638	134 486	40 311	40 411	40 411	42 754	45 234	47 637
Total Expenditure	24 552	58 102	67 321	25 686	26 198	26 198	32 106	33 872	35 667
Surplus/(Deficit) for year	6 656	9 536	67 164	14 624	14 212	14 212	10 648	11 362	11 970
Percentage surplus/(Deficit)	21%	14%	50%	36%	35%	35%	25%	25%	25%
Vote 12 - Electricity									
Total Revenue	70 468	137 751	126 844	146 052	146 707	146 707	157 313	165 884	175 259
Total Expenditure	110 519	126 181	155 479	165 768	164 888	164 888	185 704	195 918	206 301
Surplus/(Deficit) for year	**(40 051)**	**11 570**	**(28 634)**	**(19 716)**	**(18 181)**	**(18 181)**	**(28 391)**	**(30 034)**	**(31 042)**
Percentage surplus/(Deficit)	**-57%**	**8%**	**-23%**	**-13%**	**-12%**	**-12%**	**-18%**	**-18%**	**-18%**

1 The electricity trading deficit remains constant over the 2015/16 MTREF at 18 per cent throughout the respective MTREF financial years. This is primarily as a result of the high losses in the form of electricity theft and inefficiencies of the electricity network.

2. The surplus on the water account remains relatively constant over the MTREF translating into a surplus of 25 per cent, 25 per cent and 25 per cent for each of the respective financial years.
3. Note that the surpluses on these trading accounts are utilised as an internal funding source for the capital programme for asset renewal, refurbishment and the development of new asset infrastructure, *and are not used to cross-subsidise other municipal services*.

Table 18 MBRR Table A4 - Budgeted Financial Performance (revenue and expenditure)

FS203 Ngwathe - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Revenue By Source											
Property rates	2	68 562	48 723	42 923	51 297	51 297	51 297	–	56 633	59 918	63 094
Property rates - penalties & collection charges		–	–	–	–	–	–	–	–	–	–
Service charges - electricity revenue	2	70 468	132 624	126 136	145 557	145 557	145 557	–	154 676	163 094	172 320
Service charges - water revenue	2	31 208	67 638	134 474	40 111	40 211	40 211	–	42 543	45 010	47 401
Service charges - sanitation revenue	2	28 433	30 205	25 998	37 057	37 057	37 057	–	41 343	43 741	46 276
Service charges - refuse revenue	2	24 757	25 692	29 084	35 148	35 148	35 148	–	37 186	39 343	41 624
Service charges - other		–	–	–	–	–	–		–	–	–
Rental of facilities and equipment		252	2 291	311	1 420	1 951	1 951		2 521	2 667	2 808
Interest earned - external investments		575	1 435	2 057	2 757	1 757	1 757		1 858	1 966	2 070
Interest earned - outstanding debtors		17 103	20 008	28 301	2 500	2 500	2 500		2 645	2 798	2 947
Dividends received		–	–	–	–	–	–		7	8	8
Fines		775	1 097	826	1 000	1 400	1 400		1 846	1 953	2 062
Licences and permits		–	–	–	1	1	1		1	1	1
Agency services		–	–	–	–	–	–		–	–	–
Transfers recognised - operational		163 319	156 259	147 282	163 765	163 765	163 765		162 761	159 080	158 359
Other revenue	2	2 137	1 728	1 629	3 074	3 905	3 905	–	8 078	8 546	8 999
Gains on disposal of PPE											
Total Revenue (excluding capital transfers and contributions)		**407 589**	**487 698**	**539 021**	**483 685**	**484 546**	**484 546**	**–**	**512 098**	**528 125**	**547 969**
Expenditure By Type											
Employee related costs	2	119 273	177 184	175 491	138 928	145 144	145 144	–	166 819	175 994	185 322
Remuneration of councillors		8 615	9 047	10 084	10 442	10 442	10 442		11 073	11 682	12 301
Debt impairment	3	49 058	59 461	43 331	40 000	40 000	40 000		42 320	44 648	47 014
Depreciation & asset impairment	2	98 144	97 195	101 495	95 000	95 000	95 000	–	95 000	100 225	105 537
Finance charges		8 995	3 274	1 827	3 000	3 000	3 000		1 000	1 055	1 111
Bulk purchases	2	114 069	128 866	149 690	163 401	163 401	163 401	–	186 080	196 314	206 719
Other materials	8				10 100	10 100	10 100		10 620	11 204	11 798
Contracted services		9 880	8 507	4 677	15 300	15 825	15 825	–	26 260	27 704	29 173
Transfers and grants		–	–	–	38 526	38 526	38 526	–	40 761	43 003	45 282
Other expenditure	4, 5	94 837	123 696	103 673	72 766	65 917	65 917	–	76 799	81 023	85 317
Loss on disposal of PPE											
Total Expenditure		**502 872**	**607 229**	**590 268**	**587 463**	**587 356**	**587 356**	**–**	**656 732**	**692 852**	**729 573**
Surplus/(Deficit)		**(95 282)**	**(119 532)**	**(51 246)**	**(103 778)**	**(102 809)**	**(102 809)**	**–**	**(144 634)**	**(164 727)**	**(181 604)**
Transfers recognised - capital									43 637	46 175	48 480
Contributions recognised - capital	6	–	–	–	–	–	–	–	–	–	–
Contributed assets											
Surplus/(Deficit) after capital transfers & contributions		**(95 282)**	**(119 532)**	**(51 246)**	**(103 778)**	**(102 809)**	**(102 809)**	**–**	**(100 997)**	**(118 552)**	**(133 124)**
Taxation											
Surplus/(Deficit) after taxation		**(95 282)**	**(119 532)**	**(51 246)**	**(103 778)**	**(102 809)**	**(102 809)**	**–**	**(100 997)**	**(118 552)**	**(133 124)**
Attributable to minorities											
Surplus/(Deficit) attributable to municipality		**(95 282)**	**(119 532)**	**(51 246)**	**(103 778)**	**(102 809)**	**(102 809)**	**–**	**(100 997)**	**(118 552)**	**(133 124)**
Share of surplus/ (deficit) of associate	7										
Surplus/(Deficit) for the year		**(95 282)**	**(119 532)**	**(51 246)**	**(103 778)**	**(102 809)**	**(102 809)**	**–**	**(100 997)**	**(118 552)**	**(133 124)**

Explanatory notes to Table A4 - Budgeted Financial Performance (revenue and expenditure)

1. Total revenue is R512.1 million in 2015/16 and escalates to R547.9 million by 2017/18. This represents a year-on-year increase of 3.1 per cent for the 2016/17 financial year and 3.8 per cent for the 2017/18 financial year.
2. Revenue to be generated from property rates is R56.6 million in the 2015/16 financial year and increases to R63.1 million by 2017/18 which represents 11.1 per cent of the operating revenue base of the Municipality and therefore remains a significant funding source for the municipality. It remains relatively constant over the medium-term and tariff increases have been factored in at 5.8 per cent, 5.5 per cent and 5.3 per cent for each of the respective financial years of the MTREF.
3. Services charges relating to electricity, water, sanitation and refuse removal constitutes the biggest component of the revenue basket of the Municipality totalling R275.7 million for the 2015/16 financial year and increasing to R307.6 million by 2017/18. For the 2015/16 financial year services charges amount to 53.8 per cent of the total revenue base and grows by 2.3 per cent per annum over the medium-term. This growth can mainly be attributed to the increase in the bulk prices of electricity and water.
4. Transfers recognised – operating includes the local government equitable share and other operating grants from national government as gazetted.
5. Bulk purchases have significantly increased over the 2011/12 to 2017/18 period escalating from R114.1 million to R206.7 million. These increases can be attributed to the substantial increase in the cost of bulk electricity from Eskom and water from Rand Water.
6. Employee related costs and bulk purchases are the main cost drivers within the municipality and alternative operational gains and efficiencies will have to be identified to lessen the impact of wage and bulk tariff increases in future years.

Table 19 MBRR Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source

FS203 Ngwathe - Table A5 Budgeted Capital Expenditure by vote, standard classification and funding

Vote Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Capital expenditure - Vote											
Multi-year expenditure *to be appropriated*	2										
Vote 1 - Executive and Council		–	–	–	–	–	–	–	–	–	–
Vote 2 - Finance and Admin		–	–	–	–	–	–	–	–	–	–
Vote 3 - Planning and Development		–	–	–	–	–	–	–	–	–	–
Vote 4 - Community and Social services		–	–	–	–	–	–	–	–	–	–
Vote 5 - Housing		–	–	–	–	–	–	–	–	–	–
Vote 6 - Public Safety		–	–	–	–	–	–	–	–	–	–
Vote 7 - Sports and Recreation		–	–	–	–	–	–	–	–	–	–
Vote 8 - Waste Management		–	–	–	–	–	–	–	–	–	–
Vote 9 - Waste Water Management		–	–	–	–	–	–	–	–	–	–
Vote 10 - Road Transport		–	–	–	–	–	–	–	–	–	–
Vote 11 - Water		–	–	–	–	–	–	–	–	–	–
Vote 12 - Electricity		–	–	–	–	–	–	–	–	–	–
Vote 13 - Technical Services and PMU		–	–	–	–	–	–	–	–	–	–
Vote 14 - Airport		–	–	–	–	–	–	–	–	–	–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–	–	–	–
Capital multi-year expenditure sub-total	7	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Single-year expenditure *to be appropriated*	2										
Vote 1 - Executive and Council		759	1 342	–	5 500	1 500	1 500	–	5 000	–	–
Vote 2 - Finance and Admin		780	–	–	2 000	1 000	1 000	–	260	–	–
Vote 3 - Planning and Development		–	–	–	–	–	–	–	–	–	–
Vote 4 - Community and Social services		–	–	–	2 500	–	–	–	16 050	–	–
Vote 5 - Housing		–	–	–	–	–	–	–	–	–	–
Vote 6 - Public Safety		–	–	–	3 760	3 910	3 910	–	3 500	–	–
Vote 7 - Sports and Recreation		–	–	–	5 981	8 488	8 488	–	9 143	–	–
Vote 8 - Waste Management		–	–	–	9 303	650	650	–	7 900	–	–
Vote 9 - Waste Water Management		6 741	–	–	12 100	13 218	13 218	–	4 800	–	–
Vote 10 - Road Transport		–	–	–	2 878	5 511	5 511	–	1 066	–	–
Vote 11 - Water		–	–	–	12 676	17 440	17 440	–	14 975	–	–
Vote 12 - Electricity		–	–	–	8 000	13 960	13 960	–	10 922	–	–
Vote 13 - Technical Services and PMU		–	–	–	1 994	1 994	1 994	–	2 032	–	–
Vote 14 - Airport		–	–	–	–	–	–	–	–	–	–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–	–	–	–
Capital single-year expenditure sub-total		**8 281**	**1 342**	**–**	**66 691**	**67 672**	**67 672**	**–**	**75 647**	**–**	**–**
Total Capital Expenditure - Vote		**8 281**	**1 342**	**–**	**66 691**	**67 672**	**67 672**	**–**	**75 647**	**–**	**–**
Capital Expenditure - Standard											
Governance and administration		**1 539**	**1 342**	**6 593**	**7 500**	**2 500**	**2 500**	**–**	**5 260**	**–**	**–**
Executive and council		759	1 342	2 672	5 500	1 500	1 500		5 000	–	–
Budget and treasury office		–		3 920	2 000	1 000	1 000		260	–	–
Corporate services		780							–	–	–
Community and public safety		**–**	**–**	**4 670**	**12 241**	**12 398**	**12 398**	**–**	**28 693**	**–**	**–**
Community and social services					6 000	–	–		16 050	–	–
Sport and recreation				4 670	5 981	8 488	8 488		9 143	–	–
Public safety					260	3 910	3 910		3 500	–	–
Housing						–	–		–	–	–
Health						–	–		–	–	–
Economic and environmental services		**–**	**–**	**2 849**	**2 878**	**5 511**	**5 511**	**–**	**1 066**	**–**	**–**
Planning and development									–	–	–
Road transport				2 849	2 878	5 511	5 511		1 066	–	–
Environmental protection									–	–	–
Trading services		**6 741**	**–**	**46 954**	**42 078**	**45 269**	**45 269**	**–**	**38 596**	**–**	**–**
Electricity		–			8 000	13 960	13 960		10 922	–	–
Water		–		13 170	12 676	17 440	17 440		14 975	–	–
Waste water management		6 741		33 785	12 100	13 218	13 218		4 800	–	–
Waste management		–			9 303	650	650		7 900	–	–
Other		**–**			**1 994**	**1 994**	**1 994**		**2 032**	**46 175**	**48 480**
Total Capital Expenditure - Standard	3	**8 281**	**1 342**	**61 066**	**66 691**	**67 672**	**67 672**	**–**	**75 647**	**46 175**	**48 480**
Funded by:											
National Government		7 522		56 802	44 881	47 252	47 252		43 637	46 175	48 480
Provincial Government									–	–	–
District Municipality									–	–	–
Other transfers and grants									–	–	–
Transfers recognised - capital	4	**7 522**	**–**	**56 802**	**44 881**	**47 252**	**47 252**	**–**	**43 637**	**46 175**	**48 480**
Public contributions & donations	5								–	–	–
Borrowing	6								–	–	–
Internally generated funds		759	1 342	4 264	21 810	20 420	20 420		32 010	–	–
Total Capital Funding	7	**8 281**	**1 342**	**61 066**	**66 691**	**67 672**	**67 672**	**–**	**75 647**	**46 175**	**48 480**

Explanatory notes to Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source

1. Table A5 is a breakdown of the capital programme in relation to capital expenditure by municipal vote (multi-year and single-year appropriations); capital expenditure by standard classification; and the funding sources necessary to fund the capital budget, including information on capital transfers from national and provincial departments.
2. The MFMA provides that a municipality may approve multi-year or single-year capital budget appropriations.
3. Single-year capital expenditure has been appropriated at R66.7million for the 2014/15 financial year and R47 million in the 2015/16 financial year.
4. The capital programme is funded from capital grants and transfers and internally generated funds from current year surpluses. For 2014/15, capital transfers totals R44.9 million (67.3 per cent) and escalates to R48.7 million by 2016/17 (100 per cent). Internally generated funding totaling R21.8 million in the 2014/15 financial year. These funding sources are further discussed in detail in 2.5 (Overview of Budget Funding).

Table 20 MBRR Table A6 - Budgeted Financial Position

FS203 Ngwathe - Table A6 Budgeted Financial Position

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
ASSETS											
Current assets											
Cash		29 900	46 653	7 990	9 265	9 265	9 265		7 990	7 990	7 990
Call investment deposits	1	411	431	446	50 120	50 120	50 120	–	202 301	205 255	206 839
Consumer debtors	1	124 754	140 451	326 066	272 534	272 534	272 534	–	690 232	625 584	558 570
Other debtors		106 065	171 751	106 330	148 316	148 316	148 316		–	–	–
Current portion of long-term receivables		–	6 407	38 572					–	–	–
Inventory	2	597	504	485					–	–	–
Total current assets		**261 727**	**366 196**	**479 889**	**480 235**	**480 235**	**480 235**	**–**	**900 523**	**838 830**	**773 399**
Non current assets											
Long-term receivables		–							–	–	–
Investments		724	809	917	855	855	855		1 242	1 242	1 248
Investment property		152 718	152 718	152 718	152 718	152 718	152 718		152 718	152 718	152 718
Investment in Associate									–	–	–
Property, plant and equipment	3	1 125 972	1 030 118	1 094 612	1 083 659	1 083 659	1 083 659	–	1 075 131	1 021 081	964 024
Agricultural		–	–	–	–	–	–		–	–	–
Biological		–	–		–	–	–		–	–	–
Intangible		–	–		–	–	–		–	–	–
Other non-current assets		–	–		–	–	–		–	–	–
Total non current assets		**1 279 414**	**1 183 646**	**1 248 247**	**1 237 232**	**1 237 232**	**1 237 232**	**–**	**1 229 091**	**1 175 041**	**1 117 990**
TOTAL ASSETS		**1 541 141**	**1 549 841**	**1 728 136**	**1 717 467**	**1 717 467**	**1 717 467**	**–**	**2 129 614**	**2 013 870**	**1 891 389**
LIABILITIES											
Current liabilities											
Bank overdraft	1	–	–	1 137	–	–	–	–	–	–	–
Borrowing	4	–	–	–	3 200	3 200	3 200	–	2 200	2 500	1 477
Consumer deposits		3 778	4 077	4 788					–	–	–
Trade and other payables	4	243 511	295 724	447 145	244 397	244 397	244 397	–	240 092	220 092	180 678
Provisions		24 464	37 556	1 709							
Total current liabilities		**271 754**	**337 357**	**454 778**	**247 597**	**247 597**	**247 597**	**–**	**242 292**	**222 592**	**182 155**
Non current liabilities											
Borrowing		22 952	20 920	9 305	4 966	4 966	4 966	–	1 777	–	–
Provisions		47 970	66 582	94 378	37 854	37 854	37 854	–	38 275	38 275	38 275
Total non current liabilities		**70 921**	**87 502**	**103 683**	**42 820**	**42 820**	**42 820**	**–**	**40 052**	**38 275**	**38 275**
TOTAL LIABILITIES		**342 675**	**424 859**	**558 462**	**290 417**	**290 417**	**290 417**	**–**	**282 344**	**260 867**	**220 430**
NET ASSETS	5	**1 198 465**	**1 124 983**	**1 169 674**	**1 427 049**	**1 427 049**	**1 427 049**	**–**	**1 847 270**	**1 753 004**	**1 670 959**
COMMUNITY WEALTH/EQUITY											
Accumulated Surplus/(Deficit)		1 198 465	1 124 983	1 169 674	1 427 049	1 427 049	1 427 049		1 847 270	1 753 004	1 670 959
Reserves	4	–	–	–	–	–	–	–	–	–	–
Minorities' interests		–	–	–	–	–	–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	5	**1 198 465**	**1 124 983**	**1 169 674**	**1 427 049**	**1 427 049**	**1 427 049**	**–**	**1 847 270**	**1 753 004**	**1 670 959**

Explanatory notes to Table A6 - Budgeted Financial Position

1. Table A6 is consistent with international standards of good financial management practice, and improves understandability for councilors and management of the impact of the budget on the statement of financial position (balance sheet).
2. This format of presenting the statement of financial position is aligned to GRAP1, which is generally aligned to the international version which presents Assets less Liabilities as "accounting" Community Wealth. The order of items within each group illustrates items in order of liquidity; i.e. assets readily converted to cash, or liabilities immediately required to be met from cash, appear first.
3. Table 19 is supported by an extensive table of notes (SA3) providing a detailed analysis of the major components of a number of items, including:
    - Call investments deposits;
    - Consumer debtors;
    - Property, plant and equipment;
    - Trade and other payables;
    - Provisions non-current;
    - Changes in net assets; and
    - Reserves
4. The municipal equivalent of equity is Community Wealth/Equity. The justification is that ownership and the net assets of the municipality belong to the community.
5. Any movement on the Budgeted Financial Performance or the Capital Budget will inevitably impact on the Budgeted Financial Position. As an example, the collection rate assumption will impact on the cash position of the municipality and subsequently inform the level of cash and cash equivalents at year end. Similarly, the collection rate assumption should inform the budget appropriation for debt impairment which in turn would impact on the provision for bad debt. These budget and planning assumptions form a critical link in determining the applicability and relevance of the budget as well as the determination of ratios and financial indicators. In addition the funding compliance assessment is informed directly by forecasting the statement of financial position.

Table 21 MBRR Table A7 - Budgeted Cash Flow Statement

FS203 Ngwathe - Table A7 Budgeted Cash Flows

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates, penalties & collection charges		68 562	48 723	42 923	51 297	51 297	51 297		45 307	53 926	59 939
Service charges		154 866	256 157	228 750	184 701	185 562	185 562		206 811	232 950	261 478
Other revenue				1 496					11 823	12 509	13 176
Government - operating	1	160 385	157 198	149 737	163 765	163 765	163 765		162 761	159 080	158 359
Government - capital	1	(338)	45 939		44 881	47 252	47 252		43 637	46 175	48 480
Interest		17 678	21 443	30 359	4 632	3 382	3 382		4 371	4 625	4 870
Dividends		1	–	–	–				7	8	8
Payments											
Suppliers and employees		(315 103)	(429 748)	(439 050)	(383 764)	(391 024)	(391 024)		(469 971)	(501 212)	(525 164)
Finance charges		(10 384)	(3 274)	(1 827)	–				(1 000)	(1 055)	(1 111)
Transfers and Grants	1	–			(38 526)	(34 526)	(34 526)		(40 761)	(43 003)	(45 282)
NET CASH FROM/(USED) OPERATING ACTIVITIES		**75 668**	**96 438**	**12 388**	**26 985**	**25 707**	**25 707**	**–**	**(37 015)**	**(35 997)**	**(25 247)**
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE			–	122					–	–	–
Decrease (Increase) in non-current debtors									25 000	20 000	20 000
Decrease (increase) other non-current receivables									–	–	–
Decrease (increase) in non-current investments									–	–	–
Payments											
Capital assets				(47 661)	(66 691)	(67 672)	(67 672)		(75 647)	(42 175)	(44 480)
NET CASH FROM/(USED) INVESTING ACTIVITIES		**–**	**–**	**(47 539)**	**(66 691)**	**(67 672)**	**(67 672)**	**–**	**(50 647)**	**(22 175)**	**(24 480)**
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans									–	–	–
Borrowing long term/refinancing									–	–	–
Increase (decrease) in consumer deposits									–	–	–
Payments											
Repayment of borrowing				(6 615)	(3 000)	(3 000)	(3 000)		(2 200)	(1 055)	(1 111)
NET CASH FROM/(USED) FINANCING ACTIVITIES		**–**	**–**	**(6 615)**	**(3 000)**	**(3 000)**	**(3 000)**	**–**	**(2 200)**	**(1 055)**	**(1 111)**
NET INCREASE/ (DECREASE) IN CASH HELD		**75 668**	**96 438**	**(41 765)**	**(42 706)**	**(44 965)**	**(44 965)**	**–**	**(89 862)**	**(59 227)**	**(50 838)**
Cash/cash equivalents at the year begin:	2			**46 653**	**46 315**	**46 315**	**46 315**		**35 785**	**(54 077)**	**(113 304)**
Cash/cash equivalents at the year end:	2	**75 668**	**96 438**	**4 888**	**3 609**	**1 350**	**1 350**	**–**	**(54 077)**	**(113 304)**	**(164 142)**

Table 22 MBRR Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

FS203 Ngwathe - Table A8 Cash backed reserves/accumulated surplus reconciliation

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Cash and investments available											
Cash/cash equivalents at the year end	1	75 668	96 438	4 888	3 609	1 350	1 350	–	(54 077)	(113 304)	(164 142)
Other current investments > 90 days		(45 358)	(49 355)	2 412	55 776	58 035	58 035	–	264 369	326 549	378 971
Non current assets - Investments	1	724	809	917	855	855	855	–	1 242	1 242	1 248
Cash and investments available:		**31 035**	**47 893**	**8 216**	**60 240**	**60 240**	**60 240**	**–**	**211 533**	**214 487**	**216 077**
Application of cash and investments											
Unspent conditional transfers		34 694	35 632	105 686	–	–	–	–	–	–	–
Unspent borrowing		–	–	–	–	–	–		–	–	–
Statutory requirements	2										
Other working capital requirements	3	139 778	213 997	293 830	172 026	172 423	172 423	–	150 093	128 188	94 285
Other provisions											
Long term investments committed	4	–	–	–	–	–	–	–	–	–	–
Reserves to be backed by cash/investments	5										
Total Application of cash and investments:		**174 472**	**249 629**	**399 517**	**172 026**	**172 423**	**172 423**	**–**	**150 093**	**128 188**	**94 285**
Surplus(shortfall)		**(143 437)**	**(201 736)**	**(391 301)**	**(111 786)**	**(112 183)**	**(112 183)**	**–**	**61 440**	**86 299**	**121 792**

Explanatory notes to Table A7 - Budgeted Cash Flow Statement

1. The budgeted cash flow statement is the first measurement in determining if the budget is funded.
2. It shows the expected level of cash in-flow versus cash out-flow that is likely to result from the implementation of the budget.
3. It can be seen that the cash levels of the Municipality decrease significantly over the 2015/16 MTREF.

Explanatory notes to Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

1. The cash backed reserves/accumulated surplus reconciliation is aligned to the requirements of MFMA Circular 42 – Funding a Municipal Budget.
2. In essence the table evaluates the funding levels of the budget by firstly forecasting the cash and investments at year end and secondly reconciling the available funding to the liabilities/commitments that exist.
3. The outcome of this exercise would either be a surplus or deficit. A deficit would indicate that the applications exceed the cash and investments available and would be indicative of non-compliance with the MFMA requirements that the municipality's budget must be "funded".

Table 23 MBRR Table A9 - Asset Management

FS203 Ngwathe - Table A9 Asset Management

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
CAPITAL EXPENDITURE										
Total New Assets	1	**8 280**	**1 342**	**–**	**50 317**	**48 666**	**48 666**	**57 522**	**46 175**	**48 480**
Infrastructure - Road transport		–	–	–	–	–	–	1 066	–	–
Infrastructure - Electricity		–	–	–	8 000	13 960	13 960	10 922	–	–
Infrastructure - Water		–	–	–	5 050	9 815	9 815	1 650	–	–
Infrastructure - Sanitation		6 741	–	–	6 500	7 618	7 618	–	–	–
Infrastructure - Other		–	–	–	9 303	650	650	7 900	–	–
Infrastructure		*6 741*	–	–	*28 853*	*32 043*	*32 043*	*21 537*	–	–
Community		–	–	–	10 205	10 213	10 213	30 725	46 175	48 480
Heritage assets		–	–	–	–	–	–	–	–	–
Investment properties		–	–	–	–	–	–	–	–	–
Other assets	6	759	1 342	–	11 260	6 410	6 410	5 260	–	–
Agricultural Assets		–	–	–	–	–	–	–	–	–
Biological assets		–	–	–	–	–	–	–	–	–
Intangibles		780	–	–	–	–	–	–	–	–
Total Renewal of Existing Assets	2	**–**	**–**	**–**	**16 374**	**19 007**	**19 007**	**18 125**	**–**	**–**
Infrastructure - Road transport		–	–	–	2 878	5 511	5 511	–	–	–
Infrastructure - Electricity		–	–	–	–	–	–	–	–	–
Infrastructure - Water		–	–	–	7 626	7 626	7 626	13 325	–	–
Infrastructure - Sanitation		–	–	–	5 600	5 600	5 600	4 800	–	–
Infrastructure - Other		–	–	–	–	–	–	–	–	–
Infrastructure		–	–	–	*16 104*	*18 737*	*18 737*	*18 125*	–	–
Community		–	–	–	270	270	270	–	–	–
Heritage assets		–	–	–	–	–	–	–	–	–
Investment properties		–	–	–	–	–	–	–	–	–
Other assets	6	–	–	–	–	–	–	–	–	–
Agricultural Assets		–	–	–	–	–	–	–	–	–
Biological assets		–	–	–	–	–	–	–	–	–
Intangibles		–	–	–	–	–	–	–	–	–
Total Capital Expenditure	4									
Infrastructure - Road transport		–	–	–	2 878	5 511	5 511	1 066	–	–
Infrastructure - Electricity		–	–	–	8 000	13 960	13 960	10 922	–	–
Infrastructure - Water		–	–	–	12 676	17 440	17 440	14 975	–	–
Infrastructure - Sanitation		6 741	–	–	12 100	13 218	13 218	4 800	–	–
Infrastructure - Other		–	–	–	9 303	650	650	7 900	–	–
Infrastructure		*6 741*	–	–	*44 956*	*50 780*	*50 780*	*39 662*	–	–
Community		–	–	–	10 475	10 483	10 483	30 725	46 175	48 480
Heritage assets		–	–	–	–	–	–	–	–	–
Investment properties		–	–	–	–	–	–	–	–	–
Other assets		759	1 342	–	11 260	6 410	6 410	5 260	–	–
Agricultural Assets		–	–	–	–	–	–	–	–	–
Biological assets		–	–	–	–	–	–	–	–	–
Intangibles		780	–	–	–	–	–	–	–	–
TOTAL CAPITAL EXPENDITURE - Asset class	2	**8 280**	**1 342**	**–**	**66 691**	**67 672**	**67 672**	**75 647**	**46 175**	**48 480**
ASSET REGISTER SUMMARY - PPE (WDV)	5									
Infrastructure - Road transport		464 260	464 260		476 740	479 373	479 373	480 438	480 438	480 438
Infrastructure - Electricity		385 902	385 902		413 902	419 862	419 862	430 784	430 784	430 784
Infrastructure - Water		137 922	170 016		202 385	207 150	207 150	222 125	222 125	222 125
Infrastructure - Sanitation		76 127	85 040		110 736	111 854	111 854	116 654	116 654	116 654
Infrastructure - Other		2 307	2 307		11 610	2 957	2 957	10 857	10 857	10 857
Infrastructure		*1 066 519*	*1 107 526*	–	*1 215 373*	*1 221 196*	*1 221 196*	*1 260 858*	*1 260 858*	*1 260 858*
Community					10 475	10 483	10 483	41 208	41 208	41 208
Heritage assets					–	–	–	–	–	–
Investment properties		152 718	152 718	152 718	152 718	152 718	152 718	152 718	152 718	152 718
Other assets		163 813	175 638		200 939	196 089	196 089	201 349	247 524	296 004
Agricultural Assets		–	–	–	–	–	–	–	–	–
Biological assets		–	–	–	–	–	–	–	–	–
Intangibles		–	–	–	–	–	–	–	–	–
TOTAL ASSET REGISTER SUMMARY - PPE (WDV	5	**1 383 050**	**1 435 882**	**152 718**	**1 579 505**	**1 580 486**	**1 580 486**	**1 656 133**	**1 702 308**	**1 750 788**
EXPENDITURE OTHER ITEMS										
Depreciation & asset impairment		98 144	97 195	101 495	95 000	95 000	95 000	95 000	100 225	105 537
Repairs and Maintenance by Asset Class	3	18 581	20 977	–	14 940	14 400	14 400	14 300	15 087	15 886
Infrastructure - Road transport		2 916	1 859	–	3 000	1 550	1 550	500	528	555
Infrastructure - Electricity		3 210	3 574	–	2 000	2 100	2 100	600	633	667
Infrastructure - Water		1 617	1 731	–	1 600	1 000	1 000	1 000	1 055	1 111
Infrastructure - Sanitation		2 247	2 596	–	500	600	600	600	633	667
Infrastructure - Other		2 694	3 079	–	250	250	250	650	686	722
Infrastructure		*12 685*	*12 838*	–	*7 350*	*5 500*	*5 500*	*3 350*	*3 534*	*3 722*
Community		4 098	1 690	–	1 840	1 570	1 570	500	528	555
Heritage assets		–	–	–	–	–	–	–	–	–
Investment properties		–	–	–	–	–	–	–	–	–
Other assets	6, 7	1 798	6 449	–	5 750	7 330	7 330	10 450	11 025	11 609
TOTAL EXPENDITURE OTHER ITEMS		**116 725**	**118 172**	**101 495**	**109 940**	**109 400**	**109 400**	**109 300**	**115 312**	**121 423**
Renewal of Existing Assets as % of total capex		*0,0%*	*0,0%*	*0,0%*	*24,6%*	*28,1%*	*28,1%*	*24,0%*	*0,0%*	*0,0%*
Renewal of Existing Assets as % of deprecn"		*0,0%*	*0,0%*	*0,0%*	*17,2%*	*20,0%*	*20,0%*	*19,1%*	*0,0%*	*0,0%*
R&M as a % of PPE		*1,7%*	*2,0%*	*0,0%*	*1,4%*	*1,3%*	*1,3%*	*1,3%*	*1,5%*	*1,6%*
Renewal and R&M as a % of PPE		*1,0%*	*1,0%*	*0,0%*	*2,0%*	*2,0%*	*2,0%*	*2,0%*	*1,0%*	*1,0%*

Explanatory notes to Table A9 - Asset Management

1. Table A9 provides an overview of municipal capital allocations to building new assets and the renewal of existing assets, as well as spending on repairs and maintenance by asset class.
2. National Treasury has recommended that municipalities should allocate at least 40 per cent of their capital budget to the renewal of existing assets, and allocations to repairs and maintenance should be 8 per cent of PPE.

Table 24 MBRR Table A10 - Basic Service Delivery Measurement

FS203 Ngwathe - Table A10 Basic service delivery measurement

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Household service targets	1									
Water:										
Piped water inside dwelling		20 380	21 380	23 005	23 005	23 005	23 005	31 609	32 741	32 741
Piped water inside yard (but not in dwelling)		11 016	9 914	9 914	9 914	9 914	9 914	–	–	–
Using public tap (at least min.service level)	2	2 188	2 408	783	783	783	783	–	–	–
Other water supply (at least min.service level)	4	–	–	–	–	–	–	–	–	–
Minimum Service Level and Above sub-total		33 584	33 702	33 702	33 702	33 702	33 702	31 609	32 741	32 741
Using public tap (< min.service level)	3	–	–	–	–	–	–	588	–	–
Other water supply (< min.service level)	4	–	–	–	–	–	–	195	–	–
No water supply		–	–	–	–	–	–	349	–	–
Below Minimum Service Level sub-total		–	–	–	–	–	–	1 132	–	–
Total number of households	5	**33 584**	**33 702**	**33 702**	**33 702**	**33 702**	**33 702**	**32 741**	**32 741**	**32 741**
Sanitation/sewerage:										
Flush toilet (connected to sewerage)		43 429	48 495	50 120	25 764	25 764	25 764	28 873	30 773	30 773
Flush toilet (with septic tank)		410	410	410	–	–	–	460	460	460
Chemical toilet		290	290	290	2 410	2 410	2 410	–	–	–
Pit toilet (ventilated)		7 859	8 958	8 958	3 010	3 010	3 010	1 718	1 718	1 718
Other toilet provisions (> min.service level)		33 967	39 033	39 033	–	–	–	–	–	–
Minimum Service Level and Above sub-total		85 955	97 186	98 811	31 184	31 184	31 184	31 051	32 951	32 951
Bucket toilet		2 472	2 472	2 472	847	847	847	1 900	–	–
Other toilet provisions (< min.service level)		–	–	–	–	–	–	–	–	–
No toilet provisions		220	220	220	220	220	220	–	–	–
Below Minimum Service Level sub-total		2 692	2 692	2 692	1 067	1 067	1 067	1 900	–	–
Total number of households	5	**88 647**	**99 878**	**101 503**	**32 251**	**32 251**	**32 251**	**32 951**	**32 951**	**32 951**
Energy:										
Electricity (at least min.service level)		10 238	11 262	11 262	11 262	11 262	11 262	36 000	36 000	40 911
Electricity - prepaid (min.service level)		11 920	10 728	10 728	10 728	10 728	10 728	4 911	4 911	–
Minimum Service Level and Above sub-total		22 158	21 990	21 990	21 990	21 990	21 990	40 911	40 911	40 911
Electricity (< min.service level)		–	–	–	–	–	–	–	–	–
Electricity - prepaid (< min. service level)		–	–	–	–	–	–	–	–	–
Other energy sources		–	–	–	–	–	–	–	–	–
Below Minimum Service Level sub-total		–	–	–	–	–	–	–	–	–
Total number of households	5	**22 158**	**21 990**	**21 990**	**21 990**	**21 990**	**21 990**	**40 911**	**40 911**	**40 911**
Refuse:										
Removed at least once a week		37 000	37 000	38 000	38 000	38 000	38 000	32 153	32 741	32 741
Minimum Service Level and Above sub-total		37 000	37 000	38 000	38 000	38 000	38 000	32 153	32 741	32 741
Removed less frequently than once a week		–	–	–	–	–	–	–	–	–
Using communal refuse dump		–	–	–	–	–	–	–	–	–
Using own refuse dump		–	–	–	–	–	–	–	–	–
Other rubbish disposal		–	–	–	–	–	–	–	–	–
No rubbish disposal		–	–	–	–	–	–	588	–	–
Below Minimum Service Level sub-total		–	–	–	–	–	–	588	–	–
Total number of households	5	**37 000**	**37 000**	**38 000**	**38 000**	**38 000**	**38 000**	**32 741**	**32 741**	**32 741**
Households receiving Free Basic Service	7									
Water (6 kilolitres per household per month)		18 000	18 000	5 000	16 000	16 000	16 000	16 000	16 000	16 000
Sanitation (free minimum level service)		18 000	18 000	5 000	13 000	13 000	13 000	13 000	13 000	13 000
Electricity/other energy (50kwh per household per mo		18 000	18 000	5 000	16 000	16 000	16 000	16 000	16 000	16 000
Refuse (removed at least once a week)		18 000	18 000	5 000	13 000	13 000	13 000	13 000	13 000	13 000
Cost of Free Basic Services provided (R'000)	8									
Water (6 kilolitres per household per month)		14 400	0		115	115	115	0	0	0
Sanitation (free sanitation service)		13 300	0		1 042	1 042	1 042	0	0	0
Electricity/other energy (50kwh per household per mo		17 800	0		1 028	1 028	1 028	0	0	0
Refuse (removed once a week)		12 000	0		989	989	989	0	0	0
Total cost of FBS provided (minimum social packa		**57 500**	**0**	**–**	**3 174**	**3 174**	**3 174**	**0**	**0**	**0**
Highest level of free service provided										
Property rates (R value threshold)		–	–	42 000	25 000	25 000	25 000	30 000	30 000	30 000
Water (kilolitres per household per month)		6	6	6	6	6	6	6	6	6
Sanitation (kilolitres per household per month)		6	6	6	6	6	6	6	6	6
Sanitation (Rand per household per month)		–	–	–	–	–	–	–	–	–
Electricity (kwh per household per month)		55	55	50	50	50	50	50	50	50
Refuse (average litres per week)		–	–	–	–	–	–	–	–	–
Revenue cost of free services provided (R'000)	9									
Property rates (R15 000 threshold rebate)		11	30 456		444	444	444	5 451	5 751	6 056
Property rates (other exemptions, reductions and rebates)		–	–	–	–	–	–	–	–	–
Water		14 400	8 878		1 377	1 377	1 377	10 633	11 218	11 812
Sanitation		13 300	15 500		12 505	12 505	12 505	15 084	15 913	16 757
Electricity/other energy		17 800	9 742		12 330	12 330	12 330	11 328	11 951	12 584
Refuse		12 000	14 712		11 870	11 870	11 870	14 316	15 104	15 904
Municipal Housing - rental rebates		–	–		–	–	–	–	–	–
Housing - top structure subsidies	6	–	–		–	–	–	–	–	–
Other		–	–	18 526	–	–	–	–	–	–
Total revenue cost of free services provided (total social package)		**57 511**	**79 287**	**18 526**	**38 526**	**38 526**	**38 526**	**56 812**	**59 937**	**63 113**

Explanatory notes to Table A10 - Basic Service Delivery Measurement

1. Table A10 provides an overview of service delivery levels, including backlogs (below minimum service level), for each of the main services.
2. The budget provides for about 15 000 households to be registered as indigent in 2014/15, and therefore entitled to receiving Free Basic Services. The number is set to remain constant and hopefully decline by the end of the 2017/18 financial year with the implementation of the Indigent exit strategy.
3. It is anticipated that these Free Basic Services will cost the municipality R56.8 million in 2015/16, increasing to R63.1 million in 2017/18. This is covered by the municipality's equitable share allocation from national government.

Part 2 – Supporting Documentation

2.1 Overview of the annual budget process

Section 53 of the MFMA requires the Mayor of the municipality to provide general political guidance in the budget process and the setting of priorities that must guide the preparation of the budget. In addition Chapter 2 of the Municipal Budget and Reporting Regulations states that the Mayor of the municipality must establish a Budget Steering Committee to provide technical assistance to the Mayor in discharging the responsibilities set out in section 53 of the Act.

The Budget Steering Committee consists of the Municipal Manager and senior officials of the municipality meeting under the chairpersonship of the honourable mayor.

The primary aims of the Budget Steering Committee is to ensure:

- that the process followed to compile the budget complies with legislation and good budget practices;
- that there is proper alignment between the policy and service delivery priorities set out in the Municipality's IDP and the budget, taking into account the need to protect the financial sustainability of municipality;
- that the municipality's revenue and tariff setting strategies ensure that the cash resources needed to deliver services are available; and
- That the various spending priorities of the different municipal departments are properly evaluated and prioritised in the allocation of resources.

2.1.1 Budget Process Overview

In terms of section 21 of the MFMA the Mayor is required to table in Council ten months before the start of the new financial year (i.e. in August 2014) a time schedule that sets out the process to revise the IDP and prepare the budget.

The Mayor tabled in Council the required the IDP and budget time schedule on 30 September 2014.

2.1.2 IDP and Service Delivery and Budget Implementation Plan

This is the third review of the IDP as adopted by Council in May 2011. It started in September 2014 after the tabling of the IDP Process Plan and the Budget Time Schedule for the 2015/16 MTREF in September 2014.

The Municipality's IDP is its principal strategic planning document, which directly guides and informs its planning, budget, management and development actions. This framework is rolled out into objectives, key performance indicators and targets for implementation which directly inform the Service Delivery and Budget Implementation Plan. The Process Plan applicable to the fourth revision cycle included the following key IDP processes and deliverables:

- Registration of community needs;

- Compilation of departmental business plans including key performance indicators and targets;
- Financial planning and budgeting process;
- Public participation process;
- Compilation of the SDBIP, and

During the compilation of the 2015/16 MTREF, each department/function (at strategic planning session) had to review the business planning process, including the setting of priorities and targets after reviewing the mid-year performance against the 2014/15 Departmental Service Delivery and Budget Implementation Plan. Business planning links back to priority needs and master planning, and essentially informed the detailed operating budget appropriations and three-year capital programme.

2.1.3 Financial Modelling and Key Planning Drivers

As part of the compilation of the 2015/16 MTREF, extensive financial modelling was undertaken to ensure affordability and long-term financial sustainability. The following key factors and planning strategies have informed the compilation of the 2015/16 MTREF:

- Municipal growth
- Policy priorities and strategic objectives
- Asset maintenance
- Economic climate and trends (i.e. inflation, Eskom increases, household debt)
- Performance trends
- The approved 2013/14 adjustments budget and performance against the SDBIP
- Cash Flow Management Strategy
- Debtor payment levels
- Loan and investment possibilities
- The need for tariff increases versus the ability of the community to pay for services;
- Improved and sustainable service delivery

In addition to the above, the strategic guidance given in National Treasury's MFMA Circulars 70 ,72 and 74 has been taken into consideration in the planning and prioritisation process.

2.1.4 Community Consultation

The draft 2015/16 MTREF as tabled before Council on 31 March 2015 for community consultation was published on the municipality's website, and hard copies were made available at customer care offices, municipal notice boards and various libraries.

All documents in the appropriate format (electronic and printed) were provided to National Treasury, and other national and provincial departments in accordance with section 23 of the MFMA, to provide an opportunity for them to make inputs.

For the draft 2015/16 MTREF budget and IDP, the planned public participation schedule is as follows:

Mayor: Cllr MJ Mochela

Speaker: Cllr RP Ndayi

PUBLIC PARTICIPATION NOTICE: IDP, BUDGET, PMS& SDF

Notice is hereby issued in terms of the provisions of the Local Government: Municipal Finance Management Act: Chapter 4, Section 21 read together with the Local Government: Municipal Systems Act 32 of 2000: Chapters 4, 5 (Section 29 (1) & 6 (Section 42) and Spatial Planning and Land Use Management Act 16 of 2013 Chapter 4; Part A Sec 12 (1) (O) that Ngwathe local Municipality has adopted the following drafts: IDP, Budget and Finance Policies and SDF.

Members of the public are invited and encouraged to attend the meetings in their respective wards as per the schedule below.

Date	Town	Ward	Venue	Ward Councillor	Supporting Manager	Time
14 April 2015	Parys	All	Barnard Hall	Workshop: PPOs, CDWs,& Ward Committees	Municipal Manager	09h00
	Heilbron	All	Phiritona Hall	Workshop: PPOs, CDWs,& Ward Committees	Mr Jaers L	14h00
	Heilbron	1	Ha Tjope	Cllr Bocibo S/ Cllr Dejager C	Mr Jaers L	16H30
		3	Phiritona Hall	Cllr Ndayi P	Mr Moeketsi F	16H30

	Parys	9	Ntshwephepa School	Cllr Mbele M	Mr Tsekedi P	16h30
		10	Winnie Open Space	Cllr Mofokeng M	Mr Mateis J	16H30
15 April 2015	Vredefort	All	SS Paki Hall	Workshop: PPOs, CDWs,& Ward Committees	Mr Bala K	14h00
15 April 2015	Vredefort	16	SS Paki Hall	Cllr Khumalo K	Mr Marumo L	16h30
	Parys	14	Schonkeville Hall	Cllr De Beer V	Mr Mateis J	16H30
16 April 2015	Parys	11	Botjhatsatsi	Cllr Sothoane C	Mr Mateis J	16h30
16 April 2015	Parys	6& 8	Boitlamo Sec. Sechool	Cllr Vandisi D& Cllr Ndlovu N	Mr Mpindo T	16h30
16 April 2015	Parys	14	Aha-setjhaba School	Cllr De Beer V	Me Mkhuma T	16h30
16 April 2015	Koppies	All	Kwakwatsi Hall	Workshop: PPOs, CDWs,& Ward Committees	Mr Mosala J	14h00
16 April 2015	Koppies	2 17	Kwakwatsi Hall Re batla Thuto hall	Cllr Masoa M Cllr Choni P	Mr Majivolo Z Mr Mosala J	16h30
16 April 2015	Heilbron	4	Ke Arabetswe School	Cllr Mofokeng M	Mr Jaers L	16h30
16 April 2015	Vredefort	15	Kings Motel	Cllr Mehlo R	Mr Marumo L	16h30
16 April 2015	Vredefort	20	Montoeli Hall	Cllr Ranthako M	Mr Pietersen	16H3

					M	0
21 April 2015	Parys	9	Barnard Molokoane	Cllr Mbele S	Mr Mpindo T	16h30
21 April 2015	Parys	10	Tokoloho Sports Ground	Cllr Mofokeng M	Me Mtimkhulu D	16h30
21 April 2015	Heilbron	5	Isando Ground	Cllr Radebe M	Mr Moeketsi F	16h30
21 April 2015	Heilbron	7	Billy Ground	Cllr Mvulane S	Mr Mpindo T	16H30
22 April 2015	Edenville	All	N.G Kerk	Workshop: PPOs, CDWs,& Ward Committees	Mr Bala K	14h00
	Edenville	19	Rollball Club N.G Kerk	Cllr Ramabitsa M	Mr Khoase S Mr Khoase S	15h00 16h00
22 April 2015	Parys	13 & 18	Parys Town Hall	Cllrs Vermaak S& Cllr Roos J	Mr Coetzer H	16h30
22 April 2015	Parys	12	Mosepeli Hall	Cllr Modiko D	Mr Moseme L	16h30
22 April 2015	Heilbron	7	Billy Ground	Cllr Mvulane S	Mr Mpindo T	16h30
24 April 2015	**Vredefort**	**REP FORUM**	**Vredefort town hall**	**Cllr Mochela MJ(Mayor)**	**Mr Tsekedi P**	**10H00**

The draft documents will be available from the **8TH April 2015 – 8TH May 2015** in all municipal offices, libraries as well as the municipal website **ngwathe.fs.gov.za .** Inputs or comments may be

submitted or emailed to the below mentioned addresses for the attention of the Municipal Manager: Mr LD Kamolane. Po Box 359 Parys 9585.

People who cannot read or write may approach the officials mentioned below for assistance with transcription of their inputs.

Enquiries can be directed to:

Pule Tsekedi
SESM
Email: tsekedip@ngwathe.co.za
Tel: 056 816 2700
Fax: 086 587 8628

Themba Mpindo
Acting Budget & Expenditure Manager
mpindo@ngwathe.co.za

Trusting you find the above in order.

……..
LD Kamolane
Municipal Manager

2.2 Overview of alignment of annual budget with IDP

The Constitution mandates local government with the responsibility to exercise local developmental and cooperative governance. The eradication of imbalances in South African society can only be realized through a credible integrated developmental planning process.

Municipalities in South Africa need to utilise integrated development planning as a method to plan future development in their areas and so find the best solutions to achieve sound long-term development goals. A municipal IDP provides a five year strategic programme of action aimed at setting short, medium and long term strategic and budget priorities to create a development platform, which correlates with the term of office of the political incumbents. The plan aligns the resources and the capacity of a municipality to its overall development aims and guides the municipal budget. An IDP is therefore a key instrument which municipalities use to provide vision, leadership and direction to all those that have a role to play in the development of a

municipal area. The IDP enables municipalities to make the best use of scarce resources and speed up service delivery.

Integrated developmental planning in the South African context is amongst others, an approach to planning aimed at involving the municipality and the community to jointly find the best solutions towards sustainable development. Furthermore, integrated development planning provides a strategic environment for managing and guiding all planning, development and decision making in the municipality.

It is important that the IDP developed by municipalities correlate with National and Provincial intent. It must aim to co-ordinate the work of local and other spheres of government in a coherent plan to improve the quality of life for all the people living in that area. Applied to the City, issues of national and provincial importance should be reflected in the IDP of the municipality. A clear understanding of such intent is therefore imperative to ensure that the City strategically complies with the key national and provincial priorities.

The aim of this revision cycle was to develop and coordinate a coherent plan to improve the quality of life for all the people living in the area, also reflecting issues of national and provincial importance. One of the key objectives is therefore to ensure that there exists alignment between national and provincial priorities, policies and strategies and the Municipality's response to these requirements.

The national and provincial priorities, policies and strategies of importance include amongst others:

- Green Paper on National Strategic Planning of 2009;
- Provincial Growth and Development Strategy (FSGDS);
- National and Provincial spatial development perspectives;
- Relevant sector plans such as transportation, legislation and policy;
- National Key Performance Indicators (NKPIs);
- National Development Priorities;
- National Spatial Development Perspective (NSDP) and
- The National Priority Outcomes.

The Constitution requires local government to relate its management, budgeting and planning functions to its objectives. This gives a clear indication of the intended purposes of municipal integrated development planning. Legislation stipulates clearly that a municipality must not only give effect to its IDP, but must also conduct its affairs in a manner which is consistent with its IDP. The following table highlights the IDP's six strategic objectives for the 2015/16 MTREF and further planning refinements that have directly informed the compilation of the budget:

Table 25 IDP Strategic Objectives

2015/16 MTREF	
1.	Improve service delivery and infrastructure development
2.	Improvement of public participation and good governance
3.	Improve institutional development and transformation
4.	Financial Viability

5.	Local economic development
6.	Spatial Planning

The 2015/16 MTREF has therefore been directly informed by the IDP revision process and the following tables provide a reconciliation between the IDP strategic objectives and operating revenue, operating expenditure and capital expenditure.

Table 26 MBRR Table SA4 - Reconciliation between the IDP strategic objectives and budgeted revenue

FS203 Ngwathe - Supporting Table SA4 Reconciliation of IDP strategic objectives and budget (revenue)

Strategic Objective	Goal	Goal Code	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Improve service delivery and infrastructure development	Eradicate backlogs in order to improve access to services and ensure proper operations and maintenance			180 330	266 458	225 748	303 502			278 634	294 241	310 837
Improvement of public participation and good governance	Promote a culture of participatory and good governance.			–	–	5 355	–			–	–	–
Improve institutional development and transformation	Improve organisational cohesion and effectiveness			2 472	2 983	3 168	3 036			4 105	4 344	4 579
Financial Viability	To improve overall financial management in municipalities by developing and implementing appropriate financial management policies, procedures and systems.			221 383	264 037	197 380	220 803	219 960	219 960	270 941	273 541	278 744
Local economic development	Create an environment that promotes development of the local economy and facilitate job creation.			131	158	54	1 528	1 598	1 598	2 055	2 174	2 289
Allocations to other priorities			2									
Total Revenue (excluding capital transfers and contributions)			1	**404 317**	**533 636**	**431 704**	**528 868**	**221 558**	**221 558**	**555 735**	**574 300**	**596 449**

Table 27 MBRR Table SA5 - Reconciliation between the IDP strategic objectives and budgeted operating expenditure

FS203 Ngwathe - Supporting Table SA5 Reconciliation of IDP strategic objectives and budget (operating expenditure)

Strategic Objective	Goal	Goal Code	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Improve service delivery and infrastructure development	Eradicate backlogs in order to improve access to services and ensure proper operations			277 871	331 968	241 192	344 414			394 015	415 686	437 717
Improvement of public participation and good governance	Promote a culture of participatory and good governance.			43 386	51 833	38 256	45 280			48 084	50 729	53 418
Improve institutional development and transformation	Improve organisational cohesion and effectiveness			76 523	91 423	60 347	70 857			27 946	29 483	31 045
Financial Viability	To improve overall financial management in municipalities by developing and			99 837	119 275	95 512	122 628			183 495	193 587	203 847
Local economic development	Create an environment that promotes development of the local economy and facilitate			7 746	9 255	2 605	4 282			3 192	3 367	3 546
Allocations to other priorities												
Total Expenditure			1	505 364	603 754	437 912	587 461	–	–	656 732	692 852	729 573

Table 28 MBRR Table SA7 - Reconciliation between the IDP strategic objectives and budgeted capital expenditure

FS203 Ngwathe - Supporting Table SA6 Reconciliation of IDP strategic objectives and budget (capital expenditure)

Strategic Objective	Goal	Goal Code	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Improve service delivery and infrastructure development	Eradicate backlogs in order to improve access to services and ensure proper operations	A		8 281		89 289	44 021			38 596		
Improvement of public participation and good governance	Promote a culture of participatory and good governance.	B		–	–	–	3 000			5 000		
Improve institutional development and transformation	Improve organisational cohesion and effectiveness	C		–	–	–	17 670			30 725		
Financial Viability	To improve overall financial management in municipalities by developing and	D		–	–	–	2 000			260		
Local economic development	Create an environment that promotes development of the local economy and facilitate	E		–	–	–	–			1 066		
		F										
		G										
		H										
		I										
		J										
		K										
		L										
		M										
		N										
		O										
		P										
Allocations to other priorities			3									
Total Capital Expenditure			1	8 281	–	89 289	66 691	–	–	75 647	–	–

2.2.1 Free Basic Services: basic social services package for indigent households

The social package assists residents that have difficulty paying for services and are registered as indigent households in terms of the Indigent Policy of the Municipality. With the exception of water, only registered indigents qualify for the free basic services.

For the 2015/16 financial year approximately 15000 registered indigents have been provided for in the budget, the municipality envisages that the number of indigents will remain constant over the MTREF and hopefully decrease in line with the municipality's indigent exit strategy which is directly influenced by the local economic development strategy in place. In terms of the Municipality's indigent policy registered households are entitled to 6kℓ fee water, 50 kWh of electricity, 6 kℓ sanitation and free waste removal at least once a week, as well as a discount on their property rates.

Further detail relating to the number of households receiving free basic services, the cost of free basic services, highest level of free basic services as well as the revenue cost associated with the free basic services is contained in Table 23 MBRR A10 (Basic Service Delivery Measurement) on page 35.

Note that the number of households in informal areas that receive free services and the cost of these services (e.g. the provision of water through stand pipes, water tankers, etc.) are not taken into account in the table noted above.

2.3 Overview of budget related-policies

The Municipality's budgeting process is guided and governed by relevant legislation, frameworks, strategies and related policies.

2.3.1 Review of credit control and debt collection procedures/policies

The Credit control and Debt Collection Policy as approved by Council in May 2014 is currently under review. While the adopted policy is credible, sustainable, manageable and informed by affordability and value for money there has been a need to review certain components to achieve a higher collection rate.

The lack of credible procedure manuals, has necessitated management to develop such procedure manuals.

As most of the indigents within the municipal area are unable to pay for municipal services because they are unemployed, the Indigent Exit strategy aims to link the registered indigent households to development, skills and job opportunities. The programme also seeks to ensure that all departments as well as external role players are actively involved in the reduction of the number of registered indigent households.

The 2015/16 MTREF has been prepared on the basis of achieving an average debtors' collection rate of 75 per cent on current billings, whilst the municipality undertakes an in depth

data cleansing exercise. In addition the collection of debt in excess of 90 days has been prioritised as a pertinent strategy in increasing the Municipality's cash levels.

2.3.2 Budget Policy

The budget and adjustment budget process is governed by various provisions in the MFMA and is aimed at instilling and establishing an increased level of discipline, responsibility and accountability in the financial management practices of municipalities. To ensure that the Municipality continues to deliver on its core mandate and achieves its developmental goals, the mid-year review and adjustment budget process will be utilised to ensure that underperforming functions are identified and funds redirected to performing functions.

2.3.3 Supply Chain Management Policy

An amended policy that is fully aligned to the MFMA and SCM regulations will be considered by Council in May 2015.

2.3.4 Budget and Virement Policy

The Budget and Virement Policy aims to empower senior managers with an efficient financial and budgetary amendment and control system to ensure optimum service delivery within the legislative framework of the MFMA and the Municipality's system of delegations.

2.3.5 Cash Management and Investment Policy

The aim of the policy is to ensure that the Municipality's surplus cash and investments are adequately managed, especially the funds set aside for the cash backing of certain reserves. The policy details the minimum cash and cash equivalents required at any point in time and introduces time frames to achieve certain benchmarks.

2.3.6 Tariff Policies

The Municipality's tariff policies provide a broad framework within which the Council can determine fair, transparent and affordable charges that also promote sustainable service delivery.

All the above policies are available on the Municipality's website, as well as the following budget related policies:

- Property Rates Policy;
- Banking and investment Policy;
- Bad Debts Policy;
- Subsistence and travelling Policy;
- Funding and Reserves Policy;
- Borrowing Policy; and
- Basic Social Services Package (Indigent Policy).

Following the review of the current year budget related policies, the following amendments are proposed;

1. **Credit Control and Debt Collection Policy**

NO.	Policy Page No	Amendments on the Policy
1.		Added – ***The Council may allow a period of payment in excess from 24 months to 12 months for the payment of arrears to be within the current financial year , and arrears exceeding the current financial year should not exceeding a period from 60 months to 24 months***
2.		Added – *Any illegal connection of water or electricity which, in the opinion of the Council, is dangerous or constitutes a contravention of any applicable law, including the common law; a consumer will be instituted with a fine notice and electricity will be disconnected immediately, cable will be removed and criminal charges will be opened against the consumer*
3.		Added: ***14 days be reduced to 7 days to confirm with Cogta and Nersa***
4.		Added: ***Business arrangement be reduced from 6month to 3 months***

2. **Indigent Policy**

NO.	Policy Page No	Amendments on the Policy
1.	Page 4, point 5.1	To read as follows – ***exceed R1 410 (Category A) and R2 820 (Category B with a full rebate),***

3. **Rates and Taxes Policy**

NO.	Policy Page No	Amendments on the Policy
1.	Page 11, point b	*To read as follows: All residential properties with a market value of less than the amount as annually determined by the municipality are exempted from paying rates. For the 2015/2016 financial year the maximum reduction is determined as R30 000. The impermissible rates of R15 000 contemplated in terms of section 17(1) (h) of the Property Rates Act is included in the amount referred to above as annually determined by the municipality. The remaining R20 000 is an important part of the*

		council's indigent policy and is aimed primarily at alleviating poverty.
2.	Page 15, point b	*To read as follows**: For the 2015/2016 financial year the rebate is determined as 5%.***
3.	Page 17, point b(i)(d)	To Read as follows: ***determined as a R2 820***
4.	Page 18, point (iii)	Pensioners Threshold to be determined as follows: ***a. R0 to R2 900 per month - As per Indigent Policy*** ***b. R2 901 to R3 708 per month - 40%.*** ***c. R3 709 to R5 903 per month - 15%.***

2.4 Overview of budget assumptions

2.4.1 External factors

Owing to the economic slowdown, financial resources are limited due to reduced payment levels by consumers. This has resulted in declining cash inflows, which has necessitated restrained expenditure to ensure that cash outflows remain within the affordability parameters of the Municipality's finances.

2.4.2 General inflation outlook and its impact on the municipal activities

There are five key factors that have been taken into consideration in the compilation of the 2015/16 MTREF:

- National Government macro-economic targets;
- The general inflationary outlook and the impact on Municipality's residents and businesses;
- The impact of municipal cost drivers;
- The increase in prices for bulk electricity and water; and
- The increase in the cost of remuneration. Employee related costs comprise 23.64 per cent of total operating expenditure in the 2015/16 MTREF and therefore this increase above inflation places a disproportionate upward pressure on the expenditure budget.

2.4.3 Collection rate for revenue services

The base assumption is that tariff and rating increases will increase at a rate slightly higher than CPI over the long term. It is also assumed that current economic conditions, and relatively controlled inflationary conditions, will continue for the forecasted term.

The rate of revenue collection from trading service is currently expressed as a percentage (75 per cent) of annual billings whilst revenue collection from Property rates is expressed as 80 per cent. Cash flow is assumed to be 75 and 80 per cent of billings, plus an increased collection of arrear debt from the revenue enhancement initiatives currently being undertaken by the municipality.

The performance of arrear collections will however only be considered a source of additional cash in-flow once the performance has been carefully monitored.

2.4.4 Growth or decline in tax base of the municipality

Debtors' revenue is assumed to increase at a rate that is influenced by the consumer debtors' collection rate, tariff/rate pricing, real growth rate of the Municipality, household formation growth rate and the poor household change rate.

2.4.5 Salary increases

As per the National Treasury circular no 74, annual salaries and wages were increased by 5.8 per cent, whilst awaiting the new agreement to be completed.

2.4.6 Ability of the municipality to spend and deliver on the programmes

It is estimated that a spending rate of at least 100 per cent is achieved on employee related costs and at least 90 per cent on all other operating expenditure and 100 per cent on the capital programme for the 2015/16 MTREF of which performance has been factored into the cash flow budget.

2.5 Overview of budget funding

2.5.1 Medium-term outlook: operating revenue

The following table is a breakdown of the operating revenue over the medium-term:

Table 29 Breakdown of the operating revenue over the medium-term

Description	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Revenue By Source										
Property rates	68 562	48 723	42 923	51 297	51 297	51 297	–	56 633	59 918	63 094
Services	154 866	256 157	315 691	257 872	257 972	257 972	–	275 747	291 187	307 622
Other	20 842	26 558	33 125	10 751	11 513	11 513	–	16 956	17 940	18 895
Transfers recognised - operational	163 319	156 259	147 282	163 765	163 765	163 765		162 761	159 080	158 359
Gains on disposal of PPE										
Total Revenue (excluding capital transfers and contributions)	**407 589**	**487 698**	**539 021**	**483 685**	**484 546**	**484 546**	**–**	**512 098**	**528 125**	**547 969**

The following graph is a breakdown of the operational revenue per main category for the 2015/16 financial year.

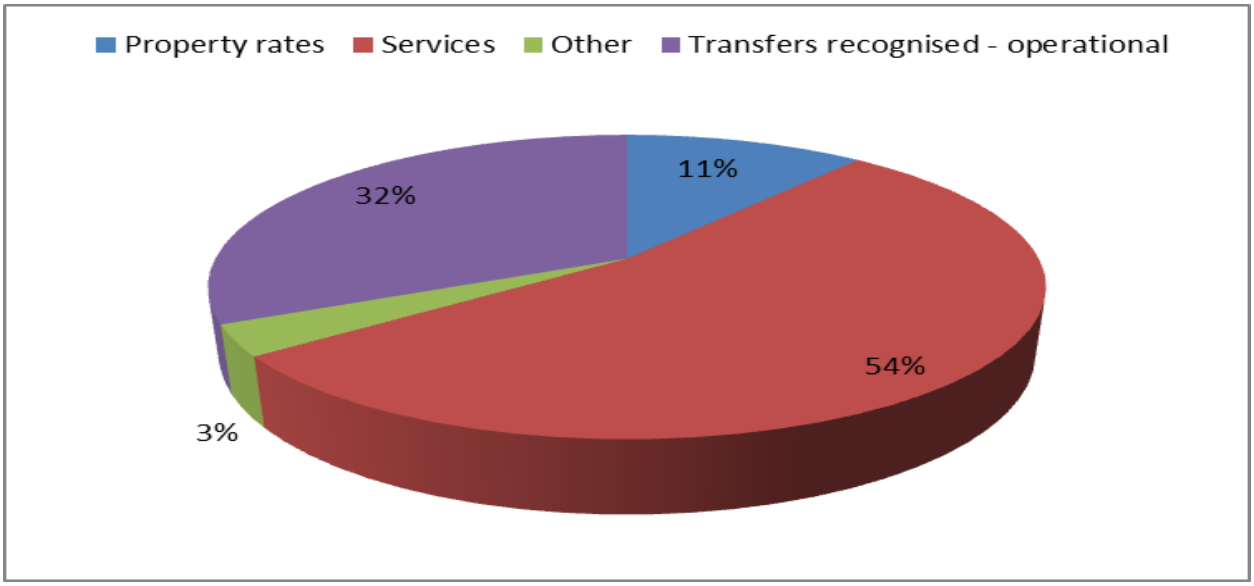

Figure 2 Breakdown of operating revenue over the 2014/15 MTREF

Tariff setting plays a major role in ensuring desired levels of revenue. Getting tariffs right assists in the compilation of a credible and funded budget. The Municipality derives most of its operational revenue from the provision of goods and services such as water, electricity, sanitation and solid waste removal. Property rates, operating and capital grants from organs of state and other minor charges (such as building plan fees, licenses and permits etc.).

The revenue strategy is a function of key components such as:

- Revenue management and enhancement;
- Achievement of a 75 per cent annual collection rate for consumer revenue and 80 per cent for property rates;
- National Treasury guidelines;
- Electricity tariff increases within the National Electricity Regulator of South Africa (NERSA) approval;
- Determining tariff escalation rate by establishing/calculating revenue requirements;
- The Property Rates Policy in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA), and

The above principles guide the annual increase in the tariffs charged to the consumers and the ratepayers aligned to the economic forecasts.

The proposed tariff increases for the 2014/15 MTREF on the different revenue categories are:

Table 30 Proposed tariff increases over the medium-term

Revenue category	2015/16 proposed tariff increase	2016/17 proposed tariff increase	2017/18 proposed tariff increase	2015/16 Total Budgeted revenue
	%	%	%	R'000
Property rates	5.8	5.5	5.3	56 633
Sanitation	5.8	5.5	5.3	41 343
Solid Waste	5.8	5.5	5.3	37 186
Water	5.8	5.5	5.3	42 543
Electricity	12.2	5.5	5.3	154 676
Total				**332 381**

Revenue to be generated from property rates is R56.6 million in the 2015/16 financial year and increases to R63.1 million by 2017/18 which represents 11 per cent of the operating revenue base of the Municipality.

The Municipality is still in a process of further data verification and validation relating to the valuation roll. It is anticipated that the process will be concluded by the end of 2015/16 financial year.

Services charges relating to electricity, water, sanitation and refuse removal constitutes the biggest component of the revenue basket of the Municipality totalling R275.7 million for the 2015/16 financial year and increasing to R307.6 million by 2017/18. For the 2015/16 financial year services charges amount to 53.8 per cent of the total revenue base and grows by 2.3 per cent over the medium-term. This growth can mainly be attributed to the increase in the bulk prices of electricity and water.

Operational grants and subsidies amount to R162.8 million, R159.1 million and R158.4 million for each of the respective financial years of the MTREF, or 31.8, 30.1 and 28.9 per cent of operating revenue. It needs to be noted that in real terms the grants receipts from national government are reducing rapidly over the MTREF for the two outer years. The percentage of the total operational grants and transfers in relation to the total operating revenue is distorted owing to the high increases in revenue relating to services charges.

In addition to the above, the municipality has contracted the services of a debt collection company in an effort to collect a significant portion of the total debtors account.

2.5.2 Medium-term outlook: capital revenue

The following table is a breakdown of the funding composition of the 2015/16 medium-term capital programme:

Table 31 Sources of capital revenue over the MTREF

Vote Description	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Funded by:										
National Government	7 522		56 802	44 881	47 252	47 252		43 637	46 175	48 480
Provincial Government								–	–	–
District Municipality								–	–	–
Other transfers and grants								–	–	–
Transfers recognised - capital	**7 522**	**–**	**56 802**	**44 881**	**47 252**	**47 252**	**–**	**43 637**	**46 175**	**48 480**
Public contributions & donations								–	–	–
Borrowing								–	–	–
Internally generated funds	759	1 342	4 264	21 810	20 420	20 420		32 010	–	–
Total Capital Funding	**8 281**	**1 342**	**61 066**	**66 691**	**67 672**	**67 672**	**–**	**75 647**	**46 175**	**48 480**

The above table is graphically represented as follows for the 2015/16 financial year.

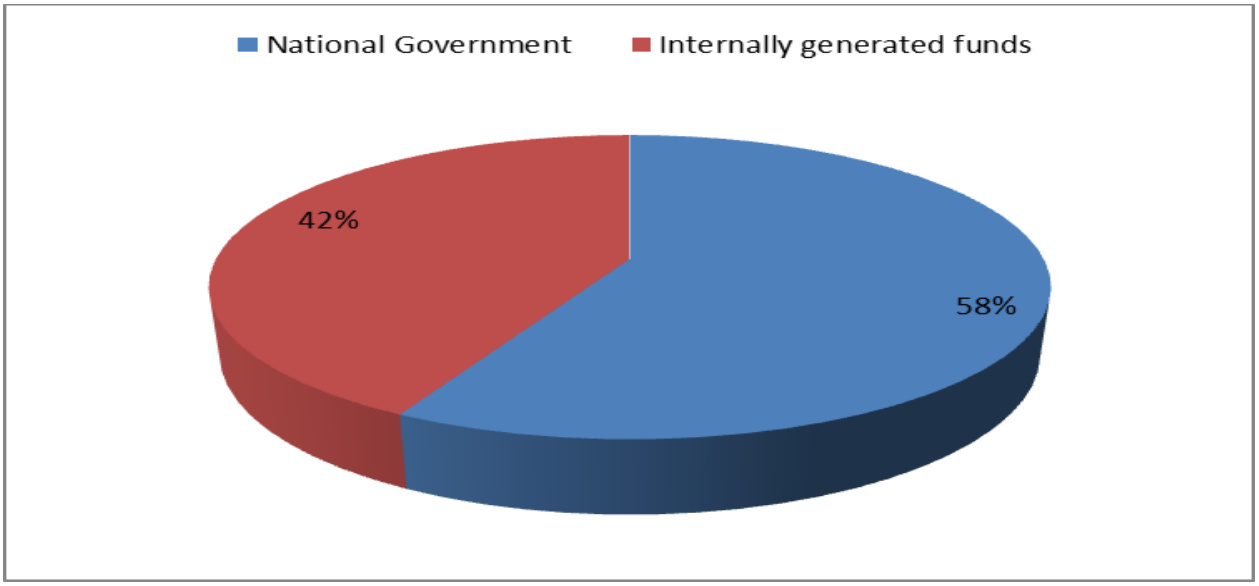

Figure 3 Sources of capital revenue for the 2015/16 financial year.

Capital grants and receipts equates to 58 per cent of the total funding source which represents R43.6 million for the 2015/16 financial year and steadily increase to R48.5 million or 100 per cent by 2017/18.

Table 32 MBRR Table SA 18 - Capital transfers and grant receipts

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
RECEIPTS:									
Capital Transfers and Grants									
National Government:	–	50 441	67 889	44 881	47 252	47 252	43 637	46 175	48 480
Municipal Infrastructure Grant (MIG)	–	50 441	47 889	39 881	39 881	39 881	40 637	42 175	44 480
Department of water affairs	–	–	–	–	2 371	2 371	–	–	–
	–	–	–	–	–	–	–	–	–
	–	–	–	–	–	–	–	–	–
	–	–	–	–	–	–	–	–	–
INEG	–	–	20 000	5 000	5 000	5 000	3 000	4 000	4 000
Total Capital Transfers and Grants	–	50 441	67 889	44 881	47 252	47 252	43 637	46 175	48 480

2.5.3 Cash Flow Management

Cash flow management and forecasting is a critical step in determining if the budget is funded over the medium-term. The table below is consistent with international standards of good financial management practice and also improves understandability for councillors and management. Some specific features include:

- Clear separation of receipts and payments within each cash flow category;
- Clear separation of capital and operating receipts from government, which also enables cash from 'Ratepayers and other' to be provide for as cash inflow based on actual performance. In other words the *actual collection rate* of billed revenue., and
- Separation of borrowing and loan repayments (no set-off), to assist with MFMA compliance assessment regarding the use of long term borrowing (debt).

Table 33 MBRR Table A7 - Budget cash flow statement

FS203 Ngwathe - Table A7 Budgeted Cash Flows

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates, penalties & collection charges		68 562	48 723	42 923	51 297	51 297	51 297		45 307	53 926	59 939
Service charges		154 866	256 157	228 750	184 701	185 562	185 562		206 811	232 950	261 478
Other revenue				1 496					11 823	12 509	13 176
Government - operating	1	160 385	157 198	149 737	163 765	163 765	163 765		162 761	159 080	158 359
Government - capital	1	(338)	45 939		44 881	47 252	47 252		43 637	46 175	48 480
Interest		17 678	21 443	30 359	4 632	3 382	3 382		4 371	4 625	4 870
Dividends		1	–	–	–				7	8	8
Payments											
Suppliers and employees		(315 103)	(429 748)	(439 050)	(383 764)	(391 024)	(391 024)		(469 971)	(501 212)	(525 164)
Finance charges		(10 384)	(3 274)	(1 827)	–				(1 000)	(1 055)	(1 111)
Transfers and Grants	1	–			(38 526)	(34 526)	(34 526)		(40 761)	(43 003)	(45 282)
NET CASH FROM/(USED) OPERATING ACTIVITIES		**75 668**	**96 438**	**12 388**	**26 985**	**25 707**	**25 707**	**–**	**(37 015)**	**(35 997)**	**(25 247)**
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE			–	122					–	–	–
Decrease (Increase) in non-current debtors									25 000	20 000	20 000
Decrease (increase) other non-current receivables									–	–	–
Decrease (increase) in non-current investments									–	–	–
Payments											
Capital assets				(47 661)	(66 691)	(67 672)	(67 672)		(75 647)	(42 175)	(44 480)
NET CASH FROM/(USED) INVESTING ACTIVITIES		**–**	**–**	**(47 539)**	**(66 691)**	**(67 672)**	**(67 672)**	**–**	**(50 647)**	**(22 175)**	**(24 480)**
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans									–	–	–
Borrowing long term/refinancing									–	–	–
Increase (decrease) in consumer deposits									–	–	–
Payments											
Repayment of borrowing				(6 615)	(3 000)	(3 000)	(3 000)		(2 200)	(1 055)	(1 111)
NET CASH FROM/(USED) FINANCING ACTIVITIES		**–**	**–**	**(6 615)**	**(3 000)**	**(3 000)**	**(3 000)**	**–**	**(2 200)**	**(1 055)**	**(1 111)**
NET INCREASE/ (DECREASE) IN CASH HELD		**75 668**	**96 438**	**(41 765)**	**(42 706)**	**(44 965)**	**(44 965)**	**–**	**(89 862)**	**(59 227)**	**(50 838)**
Cash/cash equivalents at the year begin:	2			**46 653**	**46 315**	**46 315**	**46 315**		**35 785**	**(54 077)**	**(113 304)**
Cash/cash equivalents at the year end:	2	**75 668**	**96 438**	**4 888**	**3 609**	**1 350**	**1 350**	**–**	**(54 077)**	**(113 304)**	**(164 142)**

The above table shows that cash and cash equivalents of the Municipality were positive but were deteriorating, with positive cash balances of R4.9 million from 2013/14 moving to negative R164.1 million by the end of the 2017/18 financial year.

2.6 Councillor and employee benefits

Table 34 MBRR SA22 - Summary of councillor and staff benefits

FS203 Ngwathe - Supporting Table SA22 Summary councillor and staff benefits

Summary of Employee and Councillor remuneration	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
	1	A	B	C	D	E	F	G	H	I
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages			6 375	6 821	7 284	7 284	7 284	7 707	8 131	8 562
Pension and UIF Contributions			487	521	556	556	556	589	621	654
Medical Aid Contributions			72	77	82	82	82	87	91	96
Motor Vehicle Allowance			1 678	1 796	1 918	1 918	1 918	2 029	2 141	2 254
Cellphone Allowance			526	563	601	601	601	636	671	707
Housing Allowances			–	–	–	–	–	–	–	–
Other benefits and allowances			–	15	–	–	–	25	27	28
Sub Total - Councillors		–	**9 138**	**9 793**	**10 442**	**10 442**	**10 442**	**11 073**	**11 682**	**12 301**
% increase	4		–	**7,2%**	**6,6%**	–	–	**6,0%**	**5,5%**	**5,3%**
Senior Managers of the Municipality	2									
Basic Salaries and Wages			6 194	6 618	7 067	7 067	7 067	7 402	7 809	8 222
Pension and UIF Contributions			321	343	366	366	366	826	871	918
Medical Aid Contributions			204	218	233	233	233	368	389	409
Overtime			–	–	–	–	–	–	–	–
Performance Bonus			–	–	–	–	–	567	598	630
Motor Vehicle Allowance	3		1 816	1 940	2 072	2 072	2 072	1 747	1 843	1 940
Cellphone Allowance	3		148	158	–	–	–	–	–	–
Housing Allowances	3		–	–	–	–	–	36	38	40
Other benefits and allowances	3		436	466	498	498	498	23	25	26
Payments in lieu of leave						–	–	–	–	–
Long service awards						–	–	–	–	–
Post-retirement benefit obligations	6					–	–	271	286	302
Sub Total - Senior Managers of Municipality		–	**9 118**	**9 743**	**10 236**	**10 236**	**10 236**	**11 240**	**11 859**	**12 487**
% increase	4		–	**6,8%**	**5,1%**	–	–	**9,8%**	**5,5%**	**5,3%**
Other Municipal Staff										
Basic Salaries and Wages			73 298	78 159	83 466	84 330	84 330	99 081	104 530	110 070
Pension and UIF Contributions			11 914	12 962	13 817	14 030	14 030	16 299	17 196	18 107
Medical Aid Contributions			3 984	4 286	4 577	7 356	7 356	7 660	8 082	8 510
Overtime			7 093	6 409	6 844	6 726	6 726	7 116	7 508	7 906
Performance Bonus			–	6 825	7 288	7 814	7 814	7 898	8 332	8 774
Motor Vehicle Allowance	3		2 583	2 069	2 209	2 209	2 209	2 783	2 936	3 091
Cellphone Allowance	3		–	–	–	–	–	–	–	–
Housing Allowances	3		268	285	304	304	304	285	301	317
Other benefits and allowances	3		17 952	8 055	7 653	8 623	8 623	10 895	11 495	12 104
Payments in lieu of leave				1 556	1 662	2 580	2 580	2 841	2 997	3 156
Long service awards				–	–	–	–	–	–	–
Post-retirement benefit obligations	6			786	872	937	937	720	760	800
Sub Total - Other Municipal Staff		–	**117 091**	**121 391**	**128 692**	**134 908**	**134 908**	**155 579**	**164 136**	**172 835**
% increase	4		–	**3,7%**	**6,0%**	**4,8%**	–	**15,3%**	**5,5%**	**5,3%**
Total Parent Municipality		–	**135 348**	**140 927**	**149 370**	**155 586**	**155 586**	**177 892**	**187 676**	**197 623**
			–	**4,1%**	**6,0%**	**4,2%**	–	**14,3%**	**5,5%**	**5,3%**
TOTAL SALARY, ALLOWANCES & BENEFITS		–	**135 348**	**140 927**	**149 370**	**155 586**	**155 586**	**177 892**	**187 676**	**197 623**
% increase	4		–	**4,1%**	**6,0%**	**4,2%**	–	**14,3%**	**5,5%**	**5,3%**
TOTAL MANAGERS AND STAFF	5,7	–	**135 348**	**140 927**	**149 370**	**155 586**	**155 586**	**177 892**	**187 676**	**197 623**

Table 35 MBRR SA23 - Salaries, allowances and benefits (political office bearers/councillors/ senior managers)

FS203 Ngwathe - Supporting Table SA23 Salaries, allowances & benefits (political office bearers/councillors/senior managers)

Disclosure of Salaries, Allowances & Benefits 1. Rand per annum	Ref	No.	Salary	Contributions 1.	Allowances	Performance Bonuses	In-kind benefits	Total Package 2.
Councillors	3							
Speaker	4	1	437 605	–	–			437 605
Chief Whip			–	–	–			–
Executive Mayor		1	488 838	–	–			488 838
Deputy Executive Mayor			–	–	–			–
Executive Committee		6	1 313 171	–	–			1 313 171
Total for all other councillors		31	5 467 312	700 431	2 665 167			8 832 910
Total Councillors	8	**39**	**7 706 926**	**700 431**	**2 665 167**			**11 072 524**
Senior Managers of the Municipality	5							
Municipal Manager (MM)		1	737 800	111 835	341 864	-		1 191 500
Chief Finance Officer		1	719 066	120 705	–	-		839 771
Director Technical services		1	600 433	9 232	180 335	-		790 000
Director Corporate services		1	709 190	130 581	–	-		839 771
Director Community services		1	510 000	65 045	274 955	-		850 000
								–
List of each offical with packages >= senior manager								
Human Resource Manager		1	402 094	130 581	122 579	70 872,65		726 127
Senior Finance Manager		1	402 094	120 088	163 150	70 872,65		756 205
Supply Chain Manager		1	778 091	68 397	–	70 872,65		917 361
Strategic Executive Support Manager		1	523 936	167 210	141 425	70 872,65		903 444
Risk and Compliance Manager		1	402 094	120 435	120 096	70 872,65		713 497
Legal and Admin Manager		1	561 730	121 607	151 305	70 872,65		905 515
Public Safety and Recreation Manager		1	527 789	149 131	155 864	70 872,65		903 656
Technical Manager		1	527 215	150 957	154 579	70 872,65		903 623
								–
								–
								–
								–
								–
Total Senior Managers of the Municipality	8,10	**13**	**7 401 531**	**1 465 805**	**1 806 153**	**566 981**		**11 240 470**
A Heading for Each Entity	6,7							
List each member of board by designation								
								–
								–
								–
								–
								–
								–
								–
								–
								–
								–
								–
								–
								–
								–
								–
Total for municipal entities	8,10	**–**	**–**	**–**	**–**	**–**		**–**
TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION	10	**52**	**15 108 457**	**2 166 236**	**4 471 320**	**566 981**		**22 312 994**

Table 36 MBRR SA24 – Summary of personnel numbers

FS203 Ngwathe - Supporting Table SA24 Summary of personnel numbers

Summary of Personnel Numbers	Ref	2013/14			Current Year 2014/15			Budget Year 2015/16		
Number	1,2	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees
Municipal Council and Boards of Municipal Entities										
Councillors (Political Office Bearers plus Other Councillors)		39	–	39	39	–	39	39	–	39
Board Members of municipal entities	4	–	–	–	–	–	–	–	–	–
Municipal employees	5									
Municipal Manager and Senior Managers	3	5	–	5	5	–	5	5	–	3
Other Managers	7	18	12	–	18	12	–	18	12	–
Professionals		*496*	*216*	*2*	*496*	*216*	*2*	*496*	*216*	*2*
Finance		2	2	1	2	2	1	2	2	1
Spatial/town planning		1	1	1	1	1	1	1	1	1
Information Technology		–	–		–	–	–	–	–	–
Roads		–	–		–	–	–	–	–	–
Electricity		–	–		–	–	–	–	–	–
Water		–	–		–	–	–	–	–	–
Sanitation		–	–		–	–	–	–	–	–
Refuse		–	–		–	–	–	–	–	–
Other		493	213	–	493	213	–	493	213	–
Technicians		*13*	*236*	*5*	*13*	*236*	*5*	*13*	*236*	*5*
Finance				5			5			5
Spatial/town planning										
Information Technology		5	3	–	5	3	–	5	3	–
Roads		1	1	–	1	1	–	1	1	–
Electricity		4	1	–	4	1	–	4	1	–
Water		2	2	–	2	2	–	2	2	–
Sanitation		1	1	–	1	1	–	1	1	–
Refuse										
Other		–	228	–	–	228	–	–	228	–
Clerks (Clerical and administrative)		115	114	–	115	114	–	115	114	–
Service and sales workers		25	19	–	25	19	–	25	19	–
Skilled agricultural and fishery workers		–	–	–	–	–	–	–	–	–
Craft and related trades		22	22	–	22	22	–	22	22	–
Plant and Machine Operators		81	81	–	81	81	–	81	81	–
Elementary Occupations		362	362	–	362	362	–	362	362	–
TOTAL PERSONNEL NUMBERS	9	**1 176**	**1 062**	**51**	**1 176**	**1 062**	**51**	**1 176**	**1 062**	**49**
% increase					–	–	–	–	–	(3,9%)
Total municipal employees headcount	6, 10									
Finance personnel headcount	8, 10									
Human Resources personnel headcount	8, 10									

2.7 Monthly targets for revenue, expenditure and cash flow

Table 37 MBRR SA25 - Budgeted monthly revenue and expenditure

FS203 Ngwathe - Supporting Table SA25 Budgeted monthly revenue and expenditure

Description	Ref	Budget Year 2015/16												Medium Term Revenue and Expenditure Framework		
R thousand		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Revenue By Source																
Property rates		2 832	5 097	4 870	4 870	4 870	4 870	4 870	4 870	4 870	4 870	4 870	4 870	56 633	59 918	63 094
Property rates - penalties & collection charges		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Service charges - electricity revenue		15 468	13 921	9 281	9 281	13 921	10 827	13 921	10 827	12 374	13 921	13 921	17 014	154 676	163 094	172 320
Service charges - water revenue		4 254	3 829	2 553	2 553	3 829	2 978	3 829	2 978	3 403	3 829	3 829	4 680	42 543	45 010	47 401
Service charges - sanitation revenue		4 134	3 721	2 481	2 481	3 721	2 894	3 721	2 894	3 307	3 721	3 721	4 548	41 343	43 741	46 276
Service charges - refuse revenue		3 719	3 347	2 231	2 231	3 347	2 603	3 347	2 603	2 975	3 347	3 347	4 090	37 186	39 343	41 624
Service charges - other		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Rental of facilities and equipment		252	227	151	151	227	176	227	176	202	227	227	277	2 521	2 667	2 808
Interest earned - external investments		186	167	112	112	167	130	167	130	149	167	167	204	1 858	1 966	2 070
Interest earned - outstanding debtors		265	238	159	159	238	185	238	185	212	238	238	291	2 645	2 798	2 947
Dividends received		4	–	–	–	–	–	–	–	3	–	–	–	7	8	8
Fines		185	166	111	111	166	129	166	129	148	166	166	203	1 846	1 953	2 062
Licences and permits		1	–	–	–	–	–	–	–	–	–	–	–	1	1	1
Agency services		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Transfers recognised - operational		64 662	930	1 097	–	52 967	–	–	–	43 105	–	–	–	162 761	159 080	158 359
Other revenue		808	727	485	485	727	565	727	565	646	727	727	889	8 078	8 546	8 999
Gains on disposal of PPE		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Revenue (excluding capital transfers and cont		**96 768**	**32 370**	**23 529**	**22 432**	**84 180**	**25 359**	**31 213**	**25 359**	**71 395**	**31 213**	**31 213**	**37 067**	**512 098**	**528 125**	**547 969**
Expenditure By Type																
Employee related costs		16 682	15 014	10 009	10 009	15 014	11 677	15 014	11 677	13 346	15 014	15 014	18 350	166 819	175 994	185 322
Remuneration of councillors		923	923	923	923	923	923	923	923	923	923	923	923	11 073	11 682	12 301
Debt impairment		4 232	3 809	2 539	2 539	3 809	2 962	3 809	2 962	3 386	3 809	3 809	4 655	42 320	44 648	47 014
Depreciation & asset impairment		9 500	8 550	5 700	5 700	8 550	6 650	8 550	6 650	7 600	8 550	8 550	10 450	95 000	100 225	105 537
Finance charges		100	90	60	60	90	70	90	70	80	90	90	110	1 000	1 055	1 111
Bulk purchases		18 608	16 747	11 165	11 165	16 747	13 026	16 747	13 026	14 886	16 747	16 747	20 469	186 080	196 314	206 719
Other materials		1 062	956	637	637	956	743	956	743	850	956	956	1 168	10 620	11 204	11 798
Contracted services		2 626	2 363	1 576	1 576	2 363	1 838	2 363	1 838	2 101	2 363	2 363	2 889	26 260	27 704	29 173
Transfers and grants		3 397	3 397	3 397	3 397	3 397	3 397	3 397	3 397	3 397	3 397	3 397	3 397	40 761	43 003	45 282
Other expenditure		7 680	6 912	4 608	4 608	6 912	5 376	6 912	5 376	6 144	6 912	6 912	8 448	76 799	81 023	85 317
Loss on disposal of PPE		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Expenditure		**64 809**	**58 760**	**40 613**	**40 613**	**58 760**	**46 662**	**58 760**	**46 662**	**52 711**	**58 760**	**58 760**	**70 858**	**656 732**	**692 852**	**729 573**
Surplus/(Deficit)		**31 959**	**(26 391)**	**(17 084)**	**(18 181)**	**25 419**	**(21 303)**	**(27 547)**	**(21 303)**	**18 683**	**(27 547)**	**(27 547)**	**(33 791)**	**(144 634)**	**(164 727)**	**(181 604)**
Transfers recognised - capital		19 157	–	–	–	8 989	–	–	–	15 447	–	–	44	43 637	46 175	48 480
Contributions recognised - capital		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Contributed assets		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions		**51 115**	**(26 391)**	**(17 084)**	**(18 181)**	**34 409**	**(21 303)**	**(27 547)**	**(21 303)**	**34 131**	**(27 547)**	**(27 547)**	**(33 748)**	**(100 997)**	**(118 552)**	**(133 124)**
Taxation		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Attributable to minorities		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Share of surplus/ (deficit) of associate		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit)	1	**51 115**	**(26 391)**	**(17 084)**	**(18 181)**	**34 409**	**(21 303)**	**(27 547)**	**(21 303)**	**34 131**	**(27 547)**	**(27 547)**	**(33 748)**	**(100 997)**	**(118 552)**	**(133 124)**

Table 38 MBRR SA26 - Budgeted monthly revenue and expenditure (municipal vote)

FS203 Ngwathe - Supporting Table SA26 Budgeted monthly revenue and expenditure (municipal vote)

Description	Ref	Budget Year 2015/16												Medium Term Revenue and Expenditure Framework		
R thousand		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Revenue by Vote																
Vote 1 - Executive and Council		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 2 - Finance and Admin		76 756	24 385	16 256	16 256	24 385	18 966	9 385	18 966	21 675	9 385	24 385	10 141	270 941	273 541	278 744
Vote 3 - Planning and Development		205	185	123	123	185	144	185	144	164	185	185	226	2 055	2 174	2 289
Vote 4 - Community and Social services		88	80	53	53	80	62	80	62	71	80	80	97	884	935	984
Vote 5 - Housing		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 6 - Public Safety		110	99	66	66	99	77	99	77	88	99	99	121	1 102	1 166	1 232
Vote 7 - Sports and Recreation		210	189	126	126	189	147	189	147	168	189	189	231	2 096	2 218	2 335
Vote 8 - Waste Management		3 719	3 347	2 231	2 231	3 347	2 603	3 347	2 603	2 975	3 347	3 347	4 090	37 186	39 343	41 624
Vote 9 - Waste Water Management		4 138	3 724	2 483	2 483	3 724	2 897	3 724	2 897	3 310	3 724	3 724	4 552	41 380	43 780	46 317
Vote 10 - Road Transport		0	0	0	0	0	0	0	0	0	0	0	0	2	2	2
Vote 11 - Water		4 275	3 848	2 565	2 565	3 848	2 993	3 848	2 993	3 420	3 848	3 848	4 703	42 754	45 234	47 637
Vote 12 - Electricity		15 731	14 158	9 439	9 439	14 158	11 012	14 158	11 012	12 585	14 158	14 158	17 304	157 313	165 884	175 259
Vote 13 - Technical Services and PMU		0	0	0	0	0	0	0	0	0	0	0	0	2	2	2
Vote 14 - Airport		2	2	1	1	2	1	2	1	2	2	2	2	20	21	22
Vote 15 - [NAME OF VOTE 15]													–	–	–	–
Total Revenue by Vote		**105 235**	**50 016**	**33 344**	**33 344**	**50 016**	**38 901**	**35 016**	**38 901**	**44 459**	**35 016**	**50 016**	**41 469**	**555 735**	**574 300**	**596 449**
Expenditure by Vote to be appropriated																
Vote 1 - Executive and Council		4 808	4 328	2 885	2 885	4 328	3 366	4 328	3 366	3 847	4 328	4 328	5 289	48 084	50 729	53 418
Vote 2 - Finance and Admin		16 971	15 274	10 183	10 183	15 274	11 880	15 274	11 880	13 577	15 274	15 274	18 668	169 710	179 045	188 534
Vote 3 - Planning and Development		319	287	192	192	287	223	287	223	255	287	287	351	3 192	3 367	3 546
Vote 4 - Community and Social services		2 527	2 274	1 516	1 516	2 274	1 769	2 274	1 769	2 022	2 274	2 274	2 780	25 271	26 661	28 074
Vote 5 - Housing		142	128	85	85	128	99	128	99	113	128	128	156	1 418	1 496	1 575
Vote 6 - Public Safety		1 504	1 354	902	902	1 354	1 053	1 354	1 053	1 203	1 354	1 354	1 655	15 041	15 869	16 710
Vote 7 - Sports and Recreation		1 286	1 158	772	772	1 158	900	1 158	900	1 029	1 158	1 158	1 415	12 862	13 569	14 288
Vote 8 - Waste Management		1 555	1 399	933	933	1 399	1 088	1 399	1 088	1 244	1 399	1 399	1 710	15 549	16 404	17 274
Vote 9 - Waste Water Management		2 193	1 974	1 316	1 316	1 974	1 535	1 974	1 535	1 755	1 974	1 974	2 413	21 933	23 139	24 365
Vote 10 - Road Transport		10 371	9 334	6 222	6 222	9 334	7 260	9 334	7 260	8 297	9 334	9 334	11 408	103 708	109 411	115 210
Vote 11 - Water		3 211	2 890	1 926	1 926	2 890	2 247	2 890	2 247	2 568	2 890	2 890	3 532	32 106	33 872	35 667
Vote 12 - Electricity		18 570	16 713	11 142	11 142	16 713	12 999	16 713	12 999	14 856	16 713	16 713	20 427	185 704	195 918	206 301
Vote 13 - Technical Services and PMU		2 215	1 994	1 329	1 329	1 994	1 551	1 994	1 551	1 772	1 994	1 994	2 437	22 154	23 372	24 611
Vote 14 - Airport		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Expenditure by Vote		**65 673**	**59 106**	**39 404**	**39 404**	**59 106**	**45 971**	**59 106**	**45 971**	**52 538**	**59 106**	**59 106**	**72 240**	**656 731**	**692 852**	**729 573**
Surplus/(Deficit) before assoc.		**39 562**	**(9 090)**	**(6 060)**	**(6 060)**	**(9 090)**	**(7 070)**	**(24 090)**	**(7 070)**	**(8 080)**	**(24 090)**	**(9 090)**	**(30 772)**	**(100 996)**	**(118 552)**	**(133 124)**
Taxation		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Attributable to minorities		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Share of surplus/ (deficit) of associate		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit)	1	**39 562**	**(9 090)**	**(6 060)**	**(6 060)**	**(9 090)**	**(7 070)**	**(24 090)**	**(7 070)**	**(8 080)**	**(24 090)**	**(9 090)**	**(30 772)**	**(100 996)**	**(118 552)**	**(133 124)**

Table 39 MBRR SA27 - Budgeted monthly revenue and expenditure (standard classification)

FS203 Ngwathe - Supporting Table SA27 Budgeted monthly revenue and expenditure (standard classification)

Description	Ref	Budget Year 2015/16												Medium Term Revenue and Expenditure Framework		
R thousand		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Revenue - Standard																
Governance and administration		**76 756**	**24 385**	**16 256**	**16 256**	**24 385**	**18 966**	**9 385**	**18 966**	**21 675**	**9 385**	**24 385**	**10 141**	**270 941**	**273 541**	**278 744**
Executive and council		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Budget and treasury office		76 756	24 385	16 256	16 256	24 385	18 966	9 385	18 966	21 675	9 385	24 385	10 136	270 935	273 536	278 739
Corporate services		–	–	–	–	–	–	–	–	–	–	–	5	5	6	6
Community and public safety		**408**	**367**	**245**	**245**	**367**	**286**	**367**	**286**	**327**	**367**	**367**	**449**	**4 081**	**4 318**	**4 552**
Community and social services		88	80	53	53	80	62	80	62	71	80	80	97	884	935	984
Sport and recreation		210	189	126	126	189	147	189	147	168	189	189	231	2 096	2 218	2 335
Public safety		110	99	66	66	99	77	99	77	88	99	99	121	1 102	1 166	1 232
Housing		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Health		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Economic and environmental services		**206**	**185**	**124**	**124**	**185**	**144**	**185**	**144**	**165**	**185**	**185**	**226**	**2 059**	**2 178**	**2 294**
Planning and development		205	185	123	123	185	144	185	144	164	185	185	226	2 055	2 174	2 289
Road transport		0	0	0	0	0	0	0	0	0	0	0	0	4	4	5
Environmental protection		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Trading services		**27 863**	**25 077**	**16 718**	**16 718**	**25 077**	**19 504**	**25 077**	**19 504**	**22 291**	**25 077**	**25 077**	**30 650**	**278 634**	**294 241**	**310 837**
Electricity		15 731	14 158	9 439	9 439	14 158	11 012	14 158	11 012	12 585	14 158	14 158	17 304	157 313	165 884	175 259
Water		4 275	3 848	2 565	2 565	3 848	2 993	3 848	2 993	3 420	3 848	3 848	4 703	42 754	45 234	47 637
Waste water management		4 138	3 724	2 483	2 483	3 724	2 897	3 724	2 897	3 310	3 724	3 724	4 552	41 380	43 780	46 317
Waste management		3 719	3 347	2 231	2 231	3 347	2 603	3 347	2 603	2 975	3 347	3 347	4 090	37 186	39 343	41 624
Other		**2**	**2**	**1**	**1**	**2**	**1**	**2**	**1**	**2**	**2**	**2**	**2**	**20**	**21**	**22**
Total Revenue - Standard		**105 235**	**50 016**	**33 344**	**33 344**	**50 016**	**38 901**	**35 016**	**38 901**	**44 459**	**35 016**	**50 016**	**41 469**	**555 735**	**574 300**	**596 449**
Expenditure - Standard																
Governance and administration		**21 780**	**19 602**	**13 068**	**13 068**	**19 602**	**15 246**	**19 602**	**15 246**	**17 424**	**19 602**	**19 602**	**23 957**	**217 795**	**229 774**	**241 952**
Executive and council		4 808	4 328	2 885	2 885	4 328	3 366	4 328	3 366	3 847	4 328	4 328	5 289	48 084	50 729	53 418
Budget and treasury office		14 176	12 759	8 506	8 506	12 759	9 924	12 759	9 924	11 341	12 759	12 759	15 594	141 765	149 562	157 489
Corporate services		2 795	2 515	1 677	1 677	2 515	1 956	2 515	1 956	2 236	2 515	2 515	3 074	27 946	29 483	31 045
Community and public safety		**5 459**	**4 913**	**3 275**	**3 275**	**4 913**	**3 821**	**4 913**	**3 821**	**4 367**	**4 913**	**4 913**	**6 005**	**54 592**	**57 594**	**60 647**
Community and social services		2 527	2 274	1 516	1 516	2 274	1 769	2 274	1 769	2 022	2 274	2 274	2 780	25 271	26 661	28 074
Sport and recreation		1 286	1 158	772	772	1 158	900	1 158	900	1 029	1 158	1 158	1 415	12 862	13 569	14 288
Public safety		1 504	1 354	902	902	1 354	1 053	1 354	1 053	1 203	1 354	1 354	1 655	15 041	15 869	16 710
Housing		142	128	85	85	128	99	128	99	113	128	128	156	1 418	1 496	1 575
Health		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Economic and environmental services		**12 905**	**11 615**	**7 743**	**7 743**	**11 615**	**9 034**	**11 615**	**9 034**	**10 324**	**11 615**	**11 615**	**14 196**	**129 053**	**136 151**	**143 367**
Planning and development		319	287	192	192	287	223	287	223	255	287	287	351	3 192	3 367	3 546
Road transport		12 586	11 328	7 552	7 552	11 328	8 810	11 328	8 810	10 069	11 328	11 328	13 845	125 861	132 784	139 821
Environmental protection		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Trading services		**25 529**	**22 976**	**15 318**	**15 318**	**22 976**	**17 870**	**22 976**	**17 870**	**20 423**	**22 976**	**22 976**	**28 082**	**255 292**	**269 333**	**283 608**
Electricity		18 570	16 713	11 142	11 142	16 713	12 999	16 713	12 999	14 856	16 713	16 713	20 427	185 704	195 918	206 301
Water		3 211	2 890	1 926	1 926	2 890	2 247	2 890	2 247	2 568	2 890	2 890	3 532	32 106	33 872	35 667
Waste water management		2 193	1 974	1 316	1 316	1 974	1 535	1 974	1 535	1 755	1 974	1 974	2 413	21 933	23 139	24 365
Waste management		1 555	1 399	933	933	1 399	1 088	1 399	1 088	1 244	1 399	1 399	1 710	15 549	16 404	17 274
Other		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Expenditure - Standard		**65 673**	**59 106**	**39 404**	**39 404**	**59 106**	**45 971**	**59 106**	**45 971**	**52 539**	**59 106**	**59 106**	**72 240**	**656 732**	**692 852**	**729 573**
Surplus/(Deficit) before assoc.		**39 562**	**(9 090)**	**(6 060)**	**(6 060)**	**(9 090)**	**(7 070)**	**(24 090)**	**(7 070)**	**(8 080)**	**(24 090)**	**(9 090)**	**(30 772)**	**(100 997)**	**(118 552)**	**(133 124)**
Share of surplus/ (deficit) of associate		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit)	1	**39 562**	**(9 090)**	**(6 060)**	**(6 060)**	**(9 090)**	**(7 070)**	**(24 090)**	**(7 070)**	**(8 080)**	**(24 090)**	**(9 090)**	**(30 772)**	**(100 997)**	**(118 552)**	**(133 124)**

Table 40 MBRR SA28 - Budgeted monthly capital expenditure (municipal vote)

FS203 Ngwathe - Supporting Table SA28 Budgeted monthly capital expenditure (municipal vote)

Description	Ref	Budget Year 2015/16												Medium Term Revenue and Expenditure Framework		
R thousand		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Multi-year expenditure *to be appropriated*	1															
Vote 1 - Executive and Council		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 2 - Finance and Admin		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 3 - Planning and Development		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 4 - Community and Social services		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 5 - Housing		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 6 - Public Safety		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 7 - Sports and Recreation		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 8 - Waste Management		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 9 - Waste Water Management		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 10 - Road Transport		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 11 - Water		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 12 - Electricity		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 13 - Technical Services and PMU		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 14 - Airport		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Capital multi-year expenditure sub-total	2	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Single-year expenditure *to be appropriated*																
Vote 1 - Executive and Council		500	450	300	300	450	350	450	350	400	450	450	550	5 000	–	–
Vote 2 - Finance and Admin		26	23	16	16	23	18	23	18	21	23	23	29	260	–	–
Vote 3 - Planning and Development		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 4 - Community and Social services		1 605	1 445	963	963	1 445	1 124	1 445	1 124	1 284	1 445	1 445	1 766	16 050	–	–
Vote 5 - Housing		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 6 - Public Safety		350	315	210	210	315	245	315	245	280	315	315	385	3 500	–	–
Vote 7 - Sports and Recreation		914	823	549	549	823	640	823	640	731	823	823	1 006	9 143	–	–
Vote 8 - Waste Management		790	711	474	474	711	553	711	553	632	711	711	869	7 900	–	–
Vote 9 - Waste Water Management		480	432	288	288	432	336	432	336	384	432	432	528	4 800	–	–
Vote 10 - Road Transport		107	96	64	64	96	75	96	75	85	96	96	117	1 066	–	–
Vote 11 - Water		1 497	1 348	898	898	1 348	1 048	1 348	1 048	1 198	1 348	1 348	1 647	14 975	–	–
Vote 12 - Electricity		1 092	983	655	655	983	765	983	765	874	983	983	1 201	10 922	–	–
Vote 13 - Technical Services and PMU		203	183	122	122	183	142	183	142	163	183	183	224	2 032	–	–
Vote 14 - Airport		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Capital single-year expenditure sub-total	2	**7 565**	**6 808**	**4 539**	**4 539**	**6 808**	**5 295**	**6 808**	**5 295**	**6 052**	**6 808**	**6 808**	**8 321**	**75 647**	**–**	**–**
Total Capital Expenditure	2	**7 565**	**6 808**	**4 539**	**4 539**	**6 808**	**5 295**	**6 808**	**5 295**	**6 052**	**6 808**	**6 808**	**8 321**	**75 647**	**–**	**–**

Table 41 MBRR SA29 - Budgeted monthly capital expenditure (standard classification)

FS203 Ngwathe - Supporting Table SA29 Budgeted monthly capital expenditure (standard classification)

Description	Ref	Budget Year 2015/16												Medium Term Revenue and Expenditure Framework		
R thousand		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Capital Expenditure - Standard	1															
Governance and administration		526	473	316	316	473	368	473	368	421	473	473	579	5 260	–	–
Executive and council		500	450	300	300	450	350	450	350	400	450	450	550	5 000	–	–
Budget and treasury office		26	23	16	16	23	18	23	18	21	23	23	29	260	–	–
Corporate services		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Community and public safety		2 869	2 582	1 722	1 722	2 582	2 009	2 582	2 009	2 295	2 582	2 582	3 156	28 693	–	–
Community and social services		1 605	1 445	963	963	1 445	1 124	1 445	1 124	1 284	1 445	1 445	1 766	16 050	–	–
Sport and recreation		914	823	549	549	823	640	823	640	731	823	823	1 006	9 143	–	–
Public safety		350	315	210	210	315	245	315	245	280	315	315	385	3 500	–	–
Housing		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Health		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Economic and environmental services		107	96	64	64	96	75	96	75	85	96	96	117	1 066	–	–
Planning and development		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Road transport		107	96	64	64	96	75	96	75	85	96	96	117	1 066	–	–
Environmental protection		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Trading services		3 860	3 474	2 316	2 316	3 474	2 702	3 474	2 702	3 088	3 474	3 474	4 246	38 596	–	–
Electricity		1 092	983	655	655	983	765	983	765	874	983	983	1 201	10 922	–	–
Water		1 497	1 348	898	898	1 348	1 048	1 348	1 048	1 198	1 348	1 348	1 647	14 975	–	–
Waste water management		480	432	288	288	432	336	432	336	384	432	432	528	4 800	–	–
Waste management		790	711	474	474	711	553	711	553	632	711	711	869	7 900	–	–
Other		203	183	122	122	183	142	183	142	163	183	183	224	2 032	46 175	48 480
Total Capital Expenditure - Standard	2	7 565	6 808	4 539	4 539	6 808	5 295	6 808	5 295	6 052	6 808	6 808	8 321	75 647	46 175	48 480
Funded by:																
National Government		4 364	3 927	2 618	2 618	3 927	3 055	3 927	3 055	3 491	3 927	3 927	4 800	43 637	46 175	48 480
Provincial Government		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
District Municipality		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Other transfers and grants		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Transfers recognised - capital		4 364	3 927	2 618	2 618	3 927	3 055	3 927	3 055	3 491	3 927	3 927	4 800	43 637	46 175	48 480
Public contributions & donations		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Borrowing		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Internally generated funds		3 201	2 881	1 921	1 921	2 881	2 241	2 881	2 241	2 561	2 881	2 881	3 521	32 010	–	–
Total Capital Funding		7 565	6 808	4 539	4 539	6 808	5 295	6 808	5 295	6 052	6 808	6 808	8 321	75 647	46 175	48 480

Table 42 MBRR SA30 - Budgeted monthly cash flow

FS203 Ngwathe - Supporting Table SA30 Budgeted monthly cash flow

MONTHLY CASH FLOWS	Budget Year 2015/16												Medium Term Revenue and Expenditure Framework		
R thousand	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Cash Receipts By Source													1		
Property rates	2 265	4 078	3 896	3 896	3 896	3 896	3 896	3 896	3 896	3 896	3 896	3 896	45 307	53 926	59 939
Property rates - penalties & collection charges	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Service charges - electricity revenue	11 601	10 441	6 960	6 960	10 441	8 120	10 441	8 120	9 281	10 441	10 441	12 761	116 007	130 475	146 472
Service charges - water revenue	3 191	2 872	1 914	1 914	2 872	2 233	2 872	2 233	2 553	2 872	2 872	3 510	31 907	36 008	40 291
Service charges - sanitation revenue	3 101	2 791	1 860	1 860	2 791	2 170	2 791	2 170	2 481	2 791	2 791	3 411	31 007	34 992	39 334
Service charges - refuse revenue	2 789	2 510	1 673	1 673	2 510	1 952	2 510	1 952	2 231	2 510	2 510	3 068	27 890	31 474	35 381
Service charges - other	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Rental of facilities and equipment	239	216	144	144	216	168	216	168	192	216	216	263	2 395	2 533	2 668
Interest earned - external investments	186	167	112	112	167	130	167	130	149	167	167	204	1 858	1 966	2 070
Interest earned - outstanding debtors	251	226	151	151	226	176	226	176	201	226	226	276	2 513	2 658	2 799
Dividends received	4	–	–	–	–	–	–	–	3	–	–	–	7	8	8
Fines	175	158	105	105	158	123	158	123	140	158	158	193	1 754	1 856	1 958
Licences and permits	1	–	–	–	–	–	–	–	–	–	–	–	1	1	1
Agency services	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Transfer receipts - operational	64 662	930	1 097	–	52 967	–	–	–	43 105	–	–	–	162 761	159 080	158 359
Other revenue	767	691	460	460	691	537	691	537	614	691	691	844	7 674	8 119	8 549
Cash Receipts by Source	**89 233**	**25 078**	**18 374**	**17 277**	**76 933**	**19 507**	**23 967**	**19 507**	**64 845**	**23 967**	**23 967**	**28 427**	**431 080**	**463 097**	**497 830**
Other Cash Flows by Source															
Transfer receipts - capital	19 157	–	–	–	8 989	–	–	–	15 447	–	–	44	43 637	46 175	48 480
Contributions recognised - capital & Contributed a	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Proceeds on disposal of PPE	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Short term loans	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Borrowing long term/refinancing	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Increase (decrease) in consumer deposits	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Decrease (Increase) in non-current debtors	–	5 000	–	5 000	–	3 000	–	5 000	–	3 000	–	4 000	25 000	20 000	20 000
Decrease (increase) other non-current receivable	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Decrease (increase) in non-current investments	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Cash Receipts by Source	**108 389**	**30 078**	**18 374**	**22 277**	**85 923**	**22 507**	**23 967**	**24 507**	**80 293**	**26 967**	**23 967**	**32 470**	**499 717**	**529 272**	**566 310**
Cash Payments by Type															
Employee related costs	16 682	15 014	10 009	10 009	15 014	11 677	15 014	11 677	13 346	15 014	15 014	18 350	166 819	175 994	185 322
Remuneration of councillors	923	923	923	923	923	923	923	923	923	923	923	923	11 073	11 682	12 301
Finance charges	100	90	60	60	90	70	90	70	80	90	90	110	1 000	1 055	1 111
Bulk purchases - Electricity	16 928	15 235	10 157	10 157	15 235	11 850	15 235	11 850	13 542	15 235	15 235	18 621	169 280	178 590	188 055
Bulk purchases - Water & Sewer	1 680	1 512	1 008	1 008	1 512	1 176	1 512	1 176	1 344	1 512	1 512	1 848	16 800	17 724	18 663
Other materials	1 062	956	637	637	956	743	956	743	850	956	956	1 168	10 620	11 204	11 798
Contracted services	2 626	2 363	1 576	1 576	2 363	1 838	2 363	1 838	2 101	2 363	2 363	2 889	26 260	27 704	29 173
Transfers and grants - other municipalities	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Transfers and grants - other	3 397	3 397	3 397	3 397	3 397	3 397	3 397	3 397	3 397	3 397	3 397	3 397	40 761	43 003	45 282
Other expenditure	6 912	6 221	4 147	4 147	6 221	4 838	6 221	4 838	5 530	6 221	6 221	7 603	69 119	78 313	79 852
Cash Payments by Type	**50 309**	**45 710**	**31 913**	**31 913**	**45 710**	**36 512**	**45 710**	**36 512**	**41 111**	**45 710**	**45 710**	**54 908**	**511 732**	**545 269**	**571 557**
Other Cash Flows/Payments by Type															
Capital assets	7 565	6 808	4 539	4 539	6 808	5 295	6 808	5 295	6 052	6 808	6 808	8 321	75 647	42 175	44 480
Repayment of borrowing	220	198	132	132	198	154	198	154	176	198	198	242	2 200	1 055	1 111
Other Cash Flows/Payments	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Cash Payments by Type	**58 094**	**52 717**	**36 584**	**36 584**	**52 717**	**41 962**	**52 717**	**41 962**	**47 339**	**52 717**	**52 717**	**63 471**	**589 579**	**588 499**	**617 148**
NET INCREASE/(DECREASE) IN CASH HELD	**50 295**	**(22 639)**	**(18 211)**	**(14 308)**	**33 206**	**(19 455)**	**(28 750)**	**(17 455)**	**32 954**	**(25 750)**	**(28 750)**	**(31 001)**	**(89 862)**	**(59 227)**	**(50 838)**
Cash/cash equivalents at the month/year begin:	35 785	86 080	63 441	45 231	30 923	64 129	44 674	15 925	(1 530)	31 423	5 673	(23 076)	35 785	(54 077)	(113 304)
Cash/cash equivalents at the month/year end:	86 080	63 441	45 231	30 923	64 129	44 674	15 925	(1 530)	31 423	5 673	(23 076)	(54 077)	(54 077)	(113 304)	(164 142)

2.8 Annual budgets and SDBIPs – internal departments

To be inserted

2.9 Contracts having future budgetary implications

In terms of the Municipality's Supply Chain Management Policy, no contracts are awarded beyond the medium-term revenue and expenditure framework (three years). In ensuring adherence to this contractual time frame limitation, all reports submitted to either the Bid Evaluation and Adjudication Committees must obtain formal financial comments from the Financial Management Division of the Treasury Department.

2.10 Capital expenditure details

The following three tables present details of the Municipality's capital expenditure programme, firstly on new assets, then the renewal of assets and finally on the repair and maintenance of assets.

Table 43 MBRR SA 34a - Capital expenditure on new assets by asset class

FS203 Ngwathe - Supporting Table SA34a Capital expenditure on new assets by asset class

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Capital expenditure on new assets by Asset Class/Sub-class										
Infrastructure		6 741	–	–	28 853	32 043	32 043	21 537	–	–
Infrastructure - Road transport		–	–	–	–	–	–	1 066	–	–
Roads, Pavements & Bridges								916	–	–
Storm water								150	–	–
Infrastructure - Electricity		–	–	–	8 000	13 960	13 960	10 922	–	–
Generation								–	–	–
Transmission & Reticulation					8 000	13 960	13 960	10 922	–	–
Street Lighting								–	–	–
Infrastructure - Water		–	–	–	5 050	9 815	9 815	1 650	–	–
Dams & Reservoirs								–	–	–
Water purification					5 050	9 815	9 815	1 650	–	–
Reticulation								–	–	–
Infrastructure - Sanitation		6 741	–	–	6 500	7 618	7 618	–	–	–
Reticulation					6 500	7 618	7 618	–	–	–
Sewerage purification		6 741						–	–	–
Infrastructure - Other		–	–	–	9 303	650	650	7 900	–	–
Waste Management					9 303	650	650	7 900	–	–
Transportation	2							–	–	–
Gas								–	–	–
Other	3							–	–	–
Community		–	–	–	10 205	10 213	10 213	30 725	46 175	48 480
Parks & gardens								–	–	–
Sportsfields & stadia					5 711	8 218	8 218	9 143	–	–
Swimming pools						–	–	–	–	–
Community halls					2 500	–	–	15 800	–	–
Libraries								–	–	–
Recreational facilities								–	–	–
Fire, safety & emergency								3 500	–	–
Security and policing								–	–	–
Buses	7							–	–	–
Clinics								–	–	–
Museums & Art Galleries								–	–	–
Cemeteries								250	–	–
Social rental housing	8							–	–	–
Other					1 994	1 994	1 994	2 032	46 175	48 480
Heritage assets		–	–	–	–	–	–	–	–	–
Buildings								–	–	–
Other	9							–	–	–
Investment properties		–	–	–	–	–	–	–	–	–
Housing development								–	–	–
Other								–	–	–
Other assets		759	1 342	–	11 260	6 410	6 410	5 260	–	–
General vehicles					3 000	1 500	1 500	5 000	–	–
Specialised vehicles	10	–	–	–	6 000	3 500	3 500	–	–	–
Plant & equipment						–	–	–	–	–
Computers - hardware/equipment					260	410	410	–	–	–
Furniture and other office equipment					2 000	1 000	1 000	260	–	–
Abattoirs								–	–	–
Markets								–	–	–
Civic Land and Buildings								–	–	–
Other Buildings								–	–	–
Other Land								–	–	–
Surplus Assets - (Investment or Inventory)								–	–	–
Other		759	1 342					–	–	–
Agricultural assets		–	–	–	–	–	–	–	–	–
List sub-class								–	–	–
								–	–	–
Biological assets		–	–	–	–	–	–	–	–	–
List sub-class								–	–	–
								–	–	–
Intangibles		780	–	–	–	–	–	–	–	–
Computers - software & programming		780						–	–	–
Other *(list sub-class)*								–	–	–
Total Capital Expenditure on new assets	1	**8 280**	**1 342**	**–**	**50 317**	**48 666**	**48 666**	**57 522**	**46 175**	**48 480**
Specialised vehicles		–	–	–	**6 000**	**3 500**	**3 500**	–	–	–
Refuse								–	–	–
Fire					6 000	3 500	3 500	–	–	–
Conservancy								–	–	–
Ambulances								–	–	–

Table 44 MBRR SA34b - Capital expenditure on the renewal of existing assets by asset class

FS203 Ngwathe - Supporting Table SA34b Capital expenditure on the renewal of existing assets by asset class

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Capital expenditure on renewal of existing assets by Asset Class/Sub-class										
Infrastructure		–	–	–	16 104	18 737	18 737	18 125	–	–
Infrastructure - Road transport		–	–	–	2 878	5 511	5 511	–	–	–
Roads, Pavements & Bridges					2 878	5 511	5 511	–	–	–
Storm water								–	–	–
Infrastructure - Electricity		–	–	–	–	–	–	–	–	–
Generation								–	–	–
Transmission & Reticulation								–	–	–
Street Lighting								–	–	–
Infrastructure - Water		–	–	–	7 626	7 626	7 626	13 325	–	–
Dams & Reservoirs								–	–	–
Water purification					7 626	7 626	7 626	13 325	–	–
Reticulation								–	–	–
Infrastructure - Sanitation		–	–	–	5 600	5 600	5 600	4 800	–	–
Reticulation					5 600	5 600	5 600	4 800	–	–
Sewerage purification								–	–	–
Infrastructure - Other		–	–	–	–	–	–	–	–	–
Waste Management								–	–	–
Transportation	2							–	–	–
Gas								–	–	–
Other	3							–	–	–
Community		–	–	–	270	270	270	–	–	–
Parks & gardens								–	–	–
Sportsfields & stadia					270	270	270	–	–	–
Swimming pools								–	–	–
Community halls								–	–	–
Libraries								–	–	–
Recreational facilities								–	–	–
Fire, safety & emergency								–	–	–
Security and policing								–	–	–
Buses	7							–	–	–
Clinics								–	–	–
Museums & Art Galleries								–	–	–
Cemeteries								–	–	–
Social rental housing	8							–	–	–
Other								–	–	–
Heritage assets		–	–	–	–	–	–	–	–	–
Buildings								–	–	–
Other	9							–	–	–
Investment properties		–	–	–	–	–	–	–	–	–
Housing development								–	–	–
Other								–	–	–
Other assets		–	–	–	–	–	–	–	–	–
General vehicles								–	–	–
Specialised vehicles	10	–	–	–	–	–	–	–	–	–
Plant & equipment								–	–	–
Computers - hardware/equipment								–	–	–
Furniture and other office equipment								–	–	–
Abattoirs								–	–	–
Markets								–	–	–
Civic Land and Buildings								–	–	–
Other Buildings								–	–	–
Other Land								–	–	–
Surplus Assets - (Investment or Inventory)								–	–	–
Other								–	–	–
Agricultural assets		–	–	–	–	–	–	–	–	–
List sub-class								–	–	–
								–	–	–
Biological assets		–	–	–	–	–	–	–	–	–
List sub-class								–	–	–
								–	–	–
Intangibles		–	–	–	–	–	–	–	–	–
Computers - software & programming								–	–	–
Other *(list sub-class)*								–	–	–
Total Capital Expenditure on renewal of existing	1	–	–	–	16 374	19 007	19 007	18 125	–	–
Specialised vehicles		–	–	–	–	–	–	–	–	–
Refuse								–	–	–
Fire								–	–	–
Conservancy								–	–	–
Ambulances								–	–	–
Renewal of Existing Assets as % of total capex		*0,0%*	*0,0%*	*0,0%*	*24,6%*	*28,1%*	*28,1%*	*24,0%*	*0,0%*	*0,0%*
Renewal of Existing Assets as % of deprecn"		*0,0%*	*0,0%*	*0,0%*	*17,2%*	*20,0%*	*20,0%*	*19,1%*	*0,0%*	*0,0%*

Table 45 MBRR SA34c - Repairs and maintenance expenditure by asset class

FS203 Ngwathe - Supporting Table SA34c Repairs and maintenance expenditure by asset class

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Repairs and maintenance expenditure by Asset Class/Sub-class										
Infrastructure		**12 685**	**12 838**	**–**	**7 350**	**5 500**	**5 500**	**3 350**	**3 534**	**3 722**
Infrastructure - Road transport		2 916	1 859	–	3 000	1 550	1 550	500	528	555
Roads, Pavements & Bridges		2 916	1 859		3 000	1 550	1 550	500	528	555
Storm water					–	–	–	–	–	–
Infrastructure - Electricity		3 210	3 574	–	2 000	2 100	2 100	600	633	667
Generation					–	–	–	–	–	–
Transmission & Reticulation		3 210	3 574		2 000	2 100	2 100	600	633	667
Street Lighting					–	–	–	–	–	–
Infrastructure - Water		1 617	1 731	–	1 600	1 000	1 000	1 000	1 055	1 111
Dams & Reservoirs					–	–	–	–	–	–
Water purification		1 617	1 731		350	500	500	500	528	555
Reticulation					1 250	500	500	500	528	555
Infrastructure - Sanitation		2 247	2 596	–	500	600	600	600	633	667
Reticulation		1 549	2 596		500	600	600	600	633	667
Sewerage purification		699			–	–	–	–	–	–
Infrastructure - Other		2 694	3 079	–	250	250	250	650	686	722
Waste Management		2 340	2 895		–	–	–	–	–	–
Transportation	2				–	–	–	–	–	–
Gas					–	–	–	–	–	–
Other	3	354	183		250	250	250	650	686	722
Community		**4 098**	**1 690**	**–**	**1 840**	**1 570**	**1 570**	**500**	**528**	**555**
Parks & gardens		684			–	–	–	–	–	–
Sportsfields & stadia					700	370	370	500	528	555
Swimming pools					230	200	200	–	–	–
Community halls		1 239	890		410	400	400	–	–	–
Libraries		102			–	–	–	–	–	–
Recreational facilities		1 022			–	–	–	–	–	–
Fire, safety & emergency		671	800		–	–	–	–	–	–
Security and policing					–	–	–		–	–
Buses	7				–	–	–	–	–	–
Clinics					–	–	–	–	–	–
Museums & Art Galleries					–	–	–	–	–	–
Cemeteries		274			–	–	–	–	–	–
Social rental housing	8	105			–	–	–	–	–	–
Other					500	600	600	–	–	–
Heritage assets		–	–	–	–	–	–	–	–	–
Buildings		–	–	–	–	–	–	–	–	–
Other	9	–	–	–	–	–	–	–	–	–
Investment properties		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Housing development		–	–	–	–	–	–	–	–	–
Other		–	–	–	–	–	–	–	–	–
Other assets		**1 798**	**6 449**	**–**	**5 750**	**7 330**	**7 330**	**10 450**	**11 025**	**11 609**
General vehicles		–	–	–	2 500	4 150	4 150	2 050	2 163	2 277
Specialised vehicles	10	–	–	–	–	–	–	–	–	–
Plant & equipment					1 400	1 400	1 400	350	369	389
Computers - hardware/equipment					–	–	–	–	–	–
Furniture and other office equipment					350	280	280	6 350	6 699	7 054
Abattoirs					–	–	–	–	–	–
Markets					–	–	–	–	–	–
Civic Land and Buildings					1 500	1 500	1 500	1 500	1 583	1 666
Other Buildings					–	–	–	–	–	–
Other Land		65			–	–	–	–	–	–
Surplus Assets - (Investment or Inventory)					–	–	–	–	–	–
Other		1 733	6 449		–	–	–	200	211	222
Agricultural assets		–	–	–	–	–	–	–	–	–
List sub-class		–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–
Biological assets		–	–	–	–	–	–	–	–	–
List sub-class		–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–
Intangibles		–	–	–	–	–	–	–	–	–
Computers - software & programming		–	–	–	–	–	–	–	–	–
Other *(list sub-class)*		–	–	–	–	–	–	–	–	–
Total Repairs and Maintenance Expenditure	1	**18 581**	**20 977**	**–**	**14 940**	**14 400**	**14 400**	**14 300**	**15 087**	**15 886**
Specialised vehicles		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Refuse								–	–	–
Fire								–	–	–
Conservancy								–	–	–
Ambulances								–	–	
R&M as a % of PPE		*1,7%*	*2,0%*	*0,0%*	*1,4%*	*1,3%*	*1,3%*	*1,3%*	*1,5%*	*1,6%*
R&M as % Operating Expenditure		*3,7%*	*3,5%*	*0,0%*	*2,5%*	*2,5%*	*2,5%*	*2,2%*	*2,2%*	*2,2%*

Table 46 MBRR SA36 - Detailed capital budget per municipal vote

FS203 Ngwathe - Supporting Table SA36 Detailed capital budget

Municipal Vote/Capital project	Ref	Program/Project description	Project number	IDP Goal code	Individually Approved (Yes/No)	Asset Class	Asset Sub-Class	GPS co-ordinates	Total Project Estimate	Prior year outcomes		2015/16 Medium Term Revenue & Expenditure Framework			Project information	
R thousand	4			2	6	3	3	5		Audited Outcome 2013/14	Current Year 2014/15 Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18	Ward location	New or renewal
Parent municipality:																
List all capital projects grouped by Municipal Vote																
Waste water Management/Sewerage		**Heilbron: Upgrading of sewer treatment w**	**FS0623/S/08/10**		Yes	*Infrastructure - Sanitation*	*Sewerage purification*	*ºº 15' 58.43" S; 27º 57' 43.75" E*			4 500	4 800				Renewal
Waste water Management/Sewerage		Parys: Upgrading of sewer treatment w	S0624/S/08/10		Yes	*Infrastructure - Sanitation*	*Sewerage purification*	*6º 54' 44.59" S; 27º 26' 08.89" E*			1 100	–				
Water		Parys: Refurbishment and upgrading of	S0714/W/09/09		Yes	*Infrastructure - Water*	*Water purification*	*º 53' 31.76" S; 27º 28' 15.83" E*			7 626	650				Renewal
Sports and Recreation		Koppies: Refurbishment of tennis court	S0950/CF/12/13		Yes	*Community*	*Sportsfields & stadia*	*º 14' 20.05" S; 27º 34' 32.31" E*			60	–				
Sports and Recreation		Phiritonia: Construction of sports comple	S0952/CF/13/13		Yes	*Community*	*Sportsfields & stadia*	*º 16' 19.76" S; 27º 58' 32.99" E*			41	–				
Sports and Recreation		Phiritona: Construction of the sports con	S1038/CF/15/16		Yes	*Community*	*Sportsfields & stadia*	*º 56' 12.37" S; 27º 27' 35.50" E*			–	200				New
Roads		Edenville: Paving of internal roads 1 KM	0954/R,ST/13/14		Yes	*Infrastructure - Road transport*	*Roads, Pavements & Bridges*	*º 33' 09.56" S; 27º 39' 24.23" E*			322	300				New
Roads		Koppies: Paving of internal roads 1KM	0955/R,ST/13/14		Yes	*Infrastructure - Road transport*	*Roads, Pavements & Bridges*	*º 13' 55.31" S; 27º 35' 34.93" E*			322	300				New
Water		Vredefort: Sewer connection in Mokwal	yet registered		Yes	*Infrastructure - Sanitation*	*Reticulation*	*ºº 00' 47.21" S; 27º 23' 01.53" E*			6 500	–				
Sports and Recreation		Mokwallo:Construction of sports facilitie	S1030/CF/14/16		Yes	*Community*	*Sportsfields & stadia*				–	3 681				New
Sports and Recreation		Kwakwatsi:Construction of sports facilit	S0992/CF/13/15		Yes	*Community*	*Sportsfields & stadia*	*7º 0' 44.00" S; 27º 22' 34.00" E*			5 670	5 262				New
Roads		Heilbron: Paving of internal roads 1 KM	1039/R,ST/15/17		Yes	*Infrastructure - Road transport*	*Roads, Pavements & Bridges*	*ºº 29' 18.00" S; 26º 55' 17.00" E*			2 234	316				New
Waste management		Construction of a solid waste disposal s	yet registered			*Infrastructure - Other*	*Waste Management*				6 200	7 900				New
Water		Heilbron: Installation of 511 residential m	yet registered			*Infrastructure - Other*	*Waste Management*				3 103	2 372				New
Water		Parys: Upgrading of the Water Purificati	yet registered			*Infrastructure - Water*	*Reticulation*	*ºº 17' 17.00" S; 27º 58' 57.00" E*			–	12 675				New
Water		Koppies/Kwakwatsi: Construction of 3.5	MIG/FS1056/SW/14/16			*Infrastructure - Road transport*	*Roads, Pavements & Bridges*				–	150				New
Parent Capital expenditure	1											**38 605**	–	–		
Entities:																
List all capital projects grouped by Entity																
Entity A																
Water project A																
Entity B																
Electricity project B																
Entity Capital expenditure										–	–	–	–	–		
Total Capital expenditure										–	37 677	**38 605**	–	–		

2.11 Legislation compliance status

Compliance with the MFMA implementation requirements have been substantially adhered to through the following activities:

1. In year reporting
   Reporting to National Treasury in electronic format was fully complied with on a monthly basis. Section 71 reporting to the Mayor (within 10 working days) has progressively improved and includes monthly published financial performance on the Municipality's website.

2. Internship programme
   The Municipality is participating in the Municipal Financial Management Internship programme and has employed nine interns undergoing training in various divisions of the Financial Services Department. Of the five interns one has been appointed permanently from March 2013. The remaining four have completed their two year contract on 19 March 2014, and their contracts have been extended for a further year and have now been appointed on a contractual basis. Four additional interns were been appointed with effect from 1 May 2014.

3. Budget and Treasury Office
   The Budget and Treasury Office has been established in accordance with the MFMA.

4. Audit Committee
   The municipality is utilising the services of the Fezile Dabi District Municipality audit committee in a shared agreement. The audit committee is functional.

5. Service Delivery and Implementation Plan
   The detail SDBIP document is at a draft stage and will be finalised after approval of the 2015/16 MTREF in May 2015 directly aligned and informed by the 2015/16 MTREF.

6. Annual Report
   Annual report is compiled in terms of the MFMA and National Treasury requirements.

7. MFMA Training
   The MFMA training module in electronic format is presented at the Municipality's internal centre and training is ongoing. Interns have completed the training.

8. Policies
   Budget related policies are reviewed annually, the policies are sent for public participation.

2.12 Municipal manager's quality certificate

I ……, municipal manager of Ngwathe Local Municipality, hereby certify that the annual budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act, and that the annual budget and supporting documents are consistent with the draft Integrated Development Plan of the municipality.

Print Name _____

Municipal manager of Ngwathe Local municipality (FS203)

Signature _____

Date _____